CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY-SECOND PARLIAMENT

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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1956

HOUSE OF COMMONS

Wednesday, May 30, 1956

The house met at 2.30 p.m.

GRAIN

OATS—DIRECT SALES TO EASTERN FEEDERS

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I wished to direct a question to the Minister of Agriculture (Mr. Gardiner) but in his absence I should like to direct it to his parliamentary assistant. In view of the plentiful supply of feed oats in western Canada and the apparent shortage of this feed in Ontario, would the minister advise whether the government is planning some method by which direct sales can be made at lower prices than that presently prevalent, which is about $1.05 per bushel?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, that matter comes under the Department of Trade and Commerce. I have asked the parliamentary assistant to the Minister of Trade and Commerce (Mr. Howe) to answer the question.

Mr. J. H. Dickey (Parliamentary Assistant, for the Minister of Trade and Commerce): Mr. Speaker, the answer is that it is the policy of the Canadian wheat board to move sufficient quantities of grain into position to supply the demand in the domestic market. There is no method, however, whereby the board can make sales at prices lower than those prevailing on the market at the time of purchase.

Direct sales from western producers to eastern feeders can be made under special arrangements with the wheat board. The quantity involved must be within the western producer's delivery quota and the difference between the initial payment and the prevailing selling price must be paid to the board. The selling price of such direct sales would be subject to agreement between the buyer and seller and there is no indication that any saving could be effected by adopting this method.

PARLIAMENT BUILDINGS

REQUEST FOR AIR CONDITIONING IN CAFETERIA

On the orders of the day:

Mr. George H. Hees (Broadview): Would the Minister of Public Works, Mr. Speaker, see what can be done as soon as possible about putting an air conditioning unit in the parliamentary cafeteria? The heat there is excessive, not only for those who eat in the cafeteria but I would think it would be unbearable for those who work there.

Hon. Robert H. Winters (Minister of Public Works): I will take that as notice, Mr. Speaker.

PRIVILEGE

MR. HOWE, PORT ARTHUR—CORRECTED STATEMENT RESPECTING ORENDA ENGINES

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am rising very briefly to correct a statement I made that is recorded in *Hansard* for yesterday, May 29. In replying to a question of the hon. member for York West (Mr. Hamilton) regarding the cutback of Orenda Engines Limited, I referred to the F-86 aircraft as "becoming obsolete". In these days of rapid technical advancement in the science of aeronautics and aircraft armament, this statement is commonly applied to almost every military aircraft as it leaves the drawing board. I would, however, like to correct the impression which I may have left that the F-86 aircraft is reaching the stage of obsolescence at any greater rate than any other fighter aircraft now in use, since the opposite is the case. In point of fact, the F-86 Sabre with Orenda engines is recognized as possibly the best day interceptor now in a full operational role. The reduction in the rate of production of Orenda engines at Malton merely represents the fulfilment of current requirements for the Sabre VI, which is still in production at Canadair Limited.

Mr. Dufresne: The minister is completely out of order.

Mr. Gauthier (Portneuf): You are nuts.

Mr. Howe (Port Arthur): Perhaps so, but this is a question of privilege.

Mr. John B. Hamilton (York West): Since I asked the original question about Orenda engines, perhaps I could ask a supplementary question. Does the government's contract schedule for supplies from Orenda indicate that the men who are being laid off now have a prospect of re-employment as a result of the continued schedule of purchases?

Mr. Howe (Port Arthur): Orenda is a private enterprise but I would expect that when the new engine gets into production, that is the engine now being designed and developed,

certainly the present staff can expect re-employment—at least I assume everyone now employed will have a priority when that time comes. On the other hand, while the immediate requirements for Orenda engines are satisfied, it is quite possible that further orders for aircraft will be placed which will call for further engines, but it is difficult for me to make a definite statement now in that regard.

PIPE LINES

TRANS-CANADA PIPE LINE—SASKATCHEWAN SUGGESTION FOR PUBLIC OWNERSHIP

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Prime Minister arising out of the text of a letter made public in the *Leader-Post* of May 26 wherein the premier indicates the Saskatchewan government is strongly in favour of a publicly-owned pipe line and the suggestion is made that Ontario, Quebec and Manitoba be sounded out as to their support for this proposal. Can the Prime Minister state whether any consideration has been given to this proposal?

Right Hon. L. S. St. Laurent (Prime Minister): No, no consideration has been given to it.

Mr. McCullough (Moose Mountain): Can the Prime Minister state what provinces, if any, have been asked as to their desires in connection with the method of constructing the pipe line?

Mr. St. Laurent (Quebec East): There have been no consultations with provincial governments about that question, Mr. Speaker.

Mr. McCullough (Moose Mountain): Can the Prime Minister say whether any governments besides Saskatchewan have indicated their wishes in connection with this trans-Canada pipe line, as to whether or not they favoured private or public ownership?

Mr. St. Laurent (Quebec East): That question has not been directed to any provincial government.

TRANS-CANADA PIPE LINES—SALE PRICE OF GAS IN CANADA AND THE UNITED STATES

On the orders of the day:

Mr. Roland Michener (St. Paul's): I should like to direct a question to the Minister of Trade and Commerce. In view of the figures tabled by the minister yesterday, does the minister concur in the statement made on the C.B.C. news broadcast at eight o'clock this morning that the prices to be charged by Trans-Canada for gas would be less on the Canadian side of the border than on the American side?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I did not hear the broadcast at eight o'clock, but under the terms of the pipe-lines bill the gas cannot be sold for export to the United States at a price lower than it is sold in a comparable position in Canada.

Mr. Michener: The statement was that it would be less on the Canadian side, and that was what I wished to draw to the minister's attention.

Mr. Howe (Port Arthur): I have said several times the price would be less on the Canadian side than the price for export.

TRANS-CANADA PIPE LINES—PURCHASE OF PIPE IN BRITAIN

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, in view of the dispatch quoted yesterday by the Minister of Trade and Commerce to the effect that Trans-Canada has placed orders in Britain for $32 million of pipe, if this is true does that mean it is Trans-Canada which is now assured of building the pipe line across the northern Ontario section?

Right Hon. C. D. Howe (Minister of Trade and Commerce): No, Mr. Speaker. Trans-Canada Pipe Lines did place the order. They were advised that if they did not do so the position would be taken by another buyer. I have been anxious and I think all hon. members have been anxious that any pipe we had to buy outside of Canada would be bought in Britain and therefore I suggested to Trans-Canada that it place the order, which it has done with the understanding that if it is not in a position to build the line the government will take over the pipe. That is clearly understood. As a matter of fact, under the terms of the agreement the government will take over Trans-Canada.

Mr. H. O. White (Middlesex East): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce somewhat along the same line as the question asked by the hon. member for Saskatoon. Would the government consider delaying the construction of the trans-Canada pipe line until pipe made in Canada by Canadian labour is available early in 1957?

Mr. Howe (Port Arthur): Mr. Speaker, the pipe that will be made in Canada is not pipe that can be used for the western section of the line in any event and the reason is that the widest steel plate that is rolled in Canada is steel plate that would be suitable

for 30-inch pipe. I sincerely hope that the 30-inch pipe from the projected mill in Welland will be available early in 1957 and I can assure the hon. member that every pound of pipe that can be turned out within Canada will be purchased and used in the trans-Canada project.

Mr. White (Middlesex East): I have a supplementary question, Mr. Speaker. Did I understand the minister to say that Welland Tubes were not able to produce the type of pipe which is required by Trans-Canada for the western section?

Mr. Howe (Port Arthur): Whether or not it will be able to roll 36-inch pipe remains a question. I have had two contrary sources of information. I notice that the paper this morning said Welland will be able to roll 36-inch pipe. My point is that no steel mill in Canada can turn out plate of width sufficient to be rolled into pipe larger than 30 inches in diameter. The width of plate required for 34-inch diameter pipe is 110 inches and that width of plate is not rolled in Canada. As I said the other day, my information is that it is rolled in only three mills in the United States, one in England and one in Germany.

Mr. White (Middlesex East): Mr. Speaker, I have a telegram in my hand from Welland Tubes Limited saying that they can roll it.

Mr. McCann: Yes, but what about making the plate?

TRANS-CANADA PIPE LINES—REASON FOR USE OF 34-INCH PIPE

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. In view of the fact the latest available figures show that only 227 miles of gas pipe line in the United States are over 30 inches in diameter out of a total of some 100,000 miles, will the minister tell the house why it is important that this pipe line in question be of such an excessive size?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the fact of the matter is that 34-inch pipe has been purchased and is being rolled in two pipe mills in the United States in sufficient quantities to build the entire line from Alberta to the vicinity of Winnipeg. The pipe is on order and has been on order for some time and the orders are being implemented. The reason 34-inch pipe is specified is that the volume of gas that can be put through a 34-inch pipe is the volume of gas which we believe should be made available at Winnipeg when the line is built.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER INTERIM SUPPLY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the action that has been taken in the other place ostensibly to make it possible to get interim supply through in one day, can the minister now say when he intends to move for interim supply?

Hon. W. E. Harris (Minister of Finance): I cannot, Mr. Speaker, but as is customary I shall consult with the opposition groups before making the proposal.

Mr. Knowles: May I direct a supplementary question to the Prime Minister? Can he say whether there was any consultation between the government leader in the Senate and any other cabinet minister before the motion was made to suspend the rules in the other place?

Right Hon. L. S. St. Laurent (Prime Minister): Not to my knowledge, Mr. Speaker.

HOUSE OF COMMONS

QUEBEC—ALLEGED ACCUSATIONS AGAINST EDITOR OF LIBERAL PARTY PUBLICATION

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a question to the Minister of Justice, but in his absence I would direct the same question to the Prime Minister. Is the Prime Minister aware that a radio commentator and newspaperman by the name of Jean-Louis Gagnon, who has been closely associated with Fred Rose and other well known Canadian communist leaders, is presently one of the main publicity agents of the Liberal party in the province of Quebec and chief editor of the party's official publication in that province? If so, would the Prime Minister at this time, in the interests of the people of Canada, care to comment on the serious accusations which he and every member of this house received a few days ago by registered mail concerning the said Jean-Louis Gagnon?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I would not care to make any comment.

Inquiries of the Ministry

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—INQUIRY AS TO CONFERENCE IN OTTAWA MAY 29

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Citizenship and Immigration. Did the hon. gentleman address a meeting of Indians at a conference yesterday afternoon in Ottawa?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The answer is yes, sir.

Mr. Bryce: Did you say "yes"?

Mr. Pickersgill: Yes.

Mr. Bryce: Mr. Speaker, arising out of that answer I want to raise a point of privilege. On May 4, 1956, I wrote as follows to the hon. gentleman:

Dear Mr. Pickersgill:

I have had some letters regarding a conference that is to be held in Ottawa very shortly in connection with the Indian affairs branch.

Would you be good enough to inform me of the date of this conference or convention, and who has been invited to it.

Thanking you in anticipation,

Yours sincerely,
W. Scottie Bryce.

I have the hon. gentleman's answer of May 8, in which he says:

I have received your letter of May 4. I have no knowledge, nor has the director of Indian affairs, of any official conference to be held in Ottawa, in the near future, to deal with Indian problems.

Now I find the hon. gentleman addressed that delegation or conference, or whatever you call it. I say, Mr. Speaker, that he deliberately deceived me when I asked for that information. The hon. gentleman has no right to refuse me such information. I again say he deliberately deceived me.

Mr. Pickersgill: Mr. Speaker, I think I can disabuse the hon. gentleman very easily. This was an annual meeting of a private organization. It was not an official conference at all, and it had no official connection whatsoever with my department. I was merely asked as a courtesy to come and speak to them, just as I might have been asked to go and speak to a Kiwanis club, and occasionally have been.

Mr. Speaker: May I ask the hon. member for Selkirk, because he knows it is against the rules to say that an hon. member of this house has deliberately deceived another hon. member, to take the corrective steps? In the circumstances will the hon. gentleman be good enough to take the corrective steps?

[Mr. St. Laurent (Quebec East).]

Mr. Bryce: Mr. Speaker, why should I take back anything that I believe is true?

Mr. Speaker: Order. Because the Speaker of the house—

Mr. Bryce: I am going to stick—

Mr. Speaker: Order. The hon. gentleman will take back the expression because the Speaker of the house is asking him to do so, and I understand him always to be respectful of the authority of the Chair.

Mr. Bryce: Mr. Speaker, I hope you understand that if I withdraw it is for your sake; it is not for the minister's sake. Never did I think I would be subjected to such a thing as that.

Mr. Speaker: Order. One should not generate more indignation than one can control—

Mr. Castleden: Can't help it.

Mr. Speaker: When I say something from the chair I would ask hon. members not to interject remarks that at times I do not hear and which I find later in many instances are remarks that are disrespectful, and which I should ask hon. members to withdraw. Now, this must stop.

Mr. Churchill: Mr. Speaker, do I understand from your remarks that you are now suggesting that offensive words be not used in this house? If so, Mr. Speaker, I would like to know why it is that offensive words used in the past with respect to myself were not drawn to the attention of the house by the Speaker, nor asked to be withdrawn by hon. members who used them?

Mr. Speaker: I have no knowledge of the incident to which the hon. member is referring. Is it one of recent date? Would the hon. member be kind enough to explain the incident to which he is referring?

Mr. Howe (Port Arthur): Perhaps I can save time by saying that now the heat of the moment is over I shall quickly withdraw.

SHIPPING

GREAT LAKES—LICENSING OF SMALL BOATS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Minister of Transport. In view of the news report over the Canadian Broadcasting Corporation news this morning which referred to the remarks of a senior official of the Department of Transport made before the great lakes search and rescue organization in Toronto last evening, is the government contemplating the licensing of small boats on

the great lakes and also contemplating any regulations that apply to the movements of such boats?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. gentleman was good enough to tell me that he proposed to ask this question. All I can say in reply is that I have been unable to obtain any report of the matter and I shall have to make inquiries.

NATURAL RESOURCES

SASKATCHEWAN—DISCOVERY AND PRODUCTION OF GAS AND OIL

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I would like to direct a question to the Minister of Mines and Technical Surveys. Would the minister care to give the house any information he might have on the discovery and production of oil and gas in the province of Saskatchewan?

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, I think that question could be very well discussed when the estimates come before the committee in the very near future.

Mr. Hodgson: I guess you don't know.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

The house resumed, from Tuesday, May 29, consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation—Mr. Howe (Port Arthur) —Mr. Applewhaite in the chair.

On clause 4—*Body corporate.*

Mr. St. Laurent (Quebec East): Mr. Chairman—

Mr. Dufresne: Mr. Chairman—

The Deputy Chairman: The hon. member for Dauphin. As this is the second time I seem to have got myself into an embarrassing position, perhaps I might be permitted to make a short statement to the committee. When the committee rose last night the hon. member for Dauphin had not completed the 30 minutes which is allotted to him. I do not know, and I am making no statement, whether or not he is entitled to pick it up now, but I expected that he would claim that right. I saw him first for the simple reason that I was looking for him. I called "the hon. member for Dauphin" and the hon. member will now address the committee.

Mr. Zaplitny: Mr. Chairman, in the limited time still at my disposal all I can do is to summarize the arguments I was making at ten o'clock last evening and to point out the position in which we find ourselves at the present time in this debate. I think it is amply clear to all fair-minded citizens that the only way in which the public interest of Canada can be safeguarded and the whole project of this Canadian trans-Canada pipe line kept under Canadian ownership is to have it constructed under public ownership. It is now perfectly clear that the government has only one excuse which they have given to this house and to the country for having set this deadline of June 7 and for the way in which they have handled this whole measure before this house and the committee, and that is their claim that that is the only way in which the pipe line can be built. Of course that is a phony excuse because if there has been any delay in commencing construction of this pipe line that delay lies squarely upon the shoulders of the government.

They have had this project under consideration for the last five years. They have been told, at least by members of this group and perhaps by others, that the proper thing to do if we are to have a national pipe line, as it has been described by the government itself, is for the government to proceed to construct the pipe line without waiting for a private company to dip into the public treasury and then own the pipe line.

I think every excuse which the government has brought forward as to why they must meet this deadline of June 7 is full of holes and will not hold water. Trans-Canada Pipe Lines Limited have been the recipients of all the favours from this government that one could dream up. The company has had several postponements when they were not able or were not inclined to meet deadlines which they themselves had agreed upon. Certainly this pipe line company does not have to hold a stick over the heads of the members of this house and of the government of this country by saying that either we put this through by June 7, or else. I think that is a shabby way in which to treat this parliament and it is a shabby way in which to carry on public business. Certainly the government should have the courage to say to Trans-Canada Pipe Lines and to all concerned, "We consider this to be a national project of great importance. We are going to let the members of this house give their full and mature deliberation to the question, and then, when we have

received the verdict of parliament, we shall proceed with the construction of this project."

Instead of that, they used this phony deadline and this excuse about the availability of pipe and so forth as a big stick to try to force members of the opposition, and incidentally the private members who support the government also; they are in exactly the same position as we are, they are gagged and bound, being forced to support a government on an issue about which they themselves are not very happy.

Thirdly, I would make this statement, that whether the government is successful in bulldozing this measure through parliament, in the manner in which they are attempting and have been attempting to do so, they have already lost on this issue. The people in the country are aroused and resentful. The people in the country are resentful not only of the fact that the government is asking this parliament to give them permission to dip into the public treasury to the extent of $130 million for the purpose of setting up a private monopoly but they are perhaps even more resentful of the fact that the government has the colossal nerve to come to this house and say, "We have made an agreement, which is not even part of the bill before us, we have made an agreement which can be changed and varied at the will of the government itself, without the wishes of parliament being consulted; and because we have made that agreement, then you who are the representatives of the people will have to be bound and gagged and, after a certain date, to have no more opinions to express."

The people of Canada are not going to stand for that and they are going to express their will in no uncertain terms when they have the opportunity to do so. I think the people of Canada also are resentful of the fact that the only role that has been played by the private members supporting the government and by my Social Credit friends to the left of us is the role of Murchison's minions and Tanner's tomboys.

Mr. St. Laurent (Quebec East): Mr. Chairman, some hon. members who have spoken in committee have indicated that they did not fully understand what was really meant by the statement I made at the opening of the sitting on Monday about the time available for debate on the pipe-line bill when I used the words, "there will be all this week for it to be continued on its remaining stages."

The remaining stages of the bill were the consideration of all the clauses in committee and the third reading of the bill. In that connection I want to make it quite clear that it would have been possible, and it would still be possible, for hon. members opposite by the simple expedient of postponing successively the consideration of the remaining clauses of the bill to bring the committee back, in a quite regular fashion, to the consideration of clause 1, if that is what they feel would be the most effective way to continue the debate.

Now, it must be apparent to all members of the committee that since the government did not give notice yesterday under standing order 33, we are not now in a position to bring on a vote on the third reading of the bill earlier than Monday evening, which is one day longer than the time I indicated on Monday last would be available. In other words, the opposition is now in a position to prolong the debate on the bill for one day of next week, whatever the government's wishes may be in the matter.

The government has been anxious from the moment this measure was proposed to give the opposition the maximum time consistent with the deadline the government has to meet to consider the bill in all its stages, of which consideration in committee of the whole is an important one. We had hoped to have the bill under consideration in committee last Wednesday, and at the close of Tuesday's sitting, hon. members will remember, the house had ordered it for consideration on Wednesday. And it was certainly no fault of the government that it was not considered on Wednesday afternoon.

But all that is past, and I want to tell the committee now that in order to increase the time available for the committee stage we, on this side, are prepared to sit this evening and to sit all day Saturday, if hon. members will agree unanimously to a special order of the house which would provide for the conclusion of the committee stage at the close of the sitting on Saturday and for the conclusion of the remaining stages of the bill at the close of the sitting on Monday next.

Such a procedure would provide another two days in committee stage, if hon. members opposite so desire.

Mr. Fleming: On those terms.

Mr. St. Laurent (Quebec East): I noted, with some surprise, what the hon. member for Rosetown-Biggar said in concluding his speech in committee on Monday, as reported at page 4399 of *Hansard* in the following words:

> I very sincerely hope, because it is not in the best interests of Canada, that the opposition will be strong enough to prevent this bill from going through before the deadline.

Now, sir, if all the hon. member for Rosetown-Biggar meant was that he hoped the opposition would be able to convince, by its

arguments, those of us on this side of the house the bill should not be passed, I take no exception to that statement.

But if, on the other hand, he meant that he felt the opposition had a right to prevent hon. members on both sides of the house from expressing by their votes their opinions on this bill in time to make the bill effective, then I suggest, sir, he was claiming for a minority in this house the right to override the majority.

I am confident that the hon. member for Rosetown-Biggar will admit every member on this side of the house has just as much right as any hon. member on the other side of the house to express his opinion on this measure and I feel he should have an opportunity to express it in time to be effective.

I am not unmindful of what was said by the hon. member for Vancouver-Kingsway in his moving speech on Monday as reported at page 4377 of *Hansard*:

> May I tell hon. members, government members, official opposition members, C.C.F. members and Social Credit members, that I favour closure. The government has a perfect right—not only a right but a duty—to invoke closure at the right time; that is, when it has been demonstrated that the business of the house cannot be carried on in any other way but by closure.

I hope it will be possible for the house to agree on this additional time for discussion of the bill in the committee stage, and I invite the leaders of the parties opposite to authorize those who customarily act for them to seek to arrange, through the usual channels, to make this additional time available.

Meanwhile, I have no choice, if the deadline which the government faces is to be met, but to give notice and I hereby do give notice pursuant to standing order 33 that at the next sitting of this committee of the whole house on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, I will move that the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill and any amendments proposed thereto, shall be the first business of the said committee and shall not further be postponed.

Mr. Fleming: The axe again.

Mr. Knowles: Mr. Chairman, I rise on a point of order.

Mr. St. Laurent (Quebec East): I hope, Mr. Chairman, that an understanding can be reached which will make it unnecessary for me to make this motion.

Mr. Drew: Mr. Chairman—

Mr. Knowles: I rise on a point of order, Mr. Chairman. My point of order, which I am prepared to argue now or to argue at another time if you think it more appropriate, is that the notice which the Prime Minister has sought to give is invalid and cannot be acted upon at the next sitting of the house. I am prepared to give my reasons based on the wording of standing order 33; based also on the explanation of closure given by Arthur Meighen in 1913; based also on three precedents, one of them in 1913 and two in 1917; and based also on my answer to the mistaken use of closure perpetrated by Mr. Bennett in 1932. Whether you wish to have that argument now or when the Prime Minister attempts to make the motion I leave in your hands. However, I felt that unless I registered objection immediately you might tomorrow say that I had no right to object. My point of order is that this motion could not be moved without the remaining clauses, namely 5, 6 and 7, having been called at least once and postponed.

The Deputy Chairman: I realize entirely what the hon. member is announcing. I think he will agree with me that there is nothing before the chair except clause 4. I have no motion to put before this committee. The house has been advised that such motion will be moved at the next sitting at which time, of course, the question of whether or not it is in order and whether or not it falls out of any order because the preliminaries which are required to put it in order were out of order, will be the subject of debate. But I cannot rule out of order a notice of a motion which is not before the chair—it is admittedly before the committee of the whole under the standing order—as I think it would be fair to say perhaps that a motion or a question which appeared in the appendix to the *Votes and Proceedings* of today announcing that it was going to be moved the day after tomorrow would not be a fair subject for a ruling until such time as it reached routine proceedings and was presented to the house.

Mr. Knowles: Mr. Chairman, that is quite satisfactory to me. I just wanted to be sure that you would recognize me on the point of order if the Prime Minister attempts to move that motion tomorrow.

Mr. Coldwell: Mr. Chairman, may I just rise on a point of privilege? The Prime Minister referred to a remark I made at the conclusion of my speech. May I say to him that I believe that, if one feels as strongly as I do that this is not in the best interests of the country, anything I can do to stop this going through, under proper parliamentary procedure, I am right in undertaking.

Northern Ontario Pipe Line Corporation

Mr. Drew: Mr. Chairman, the notice that the Prime Minister has given reduces to a complete farce—

Some hon. Members: Oh, oh.

Mr. Sinclair: Obstruction.

Mr. Drew: —the earlier suggestion that he was in fact making any proposal that had behind it any earnest desire to have a discussion of this measure. In effect what he says is this: "Look at this nice sharp axe. I shall withhold that axe if you submit to the terms I place before you". The velvet which he places over the edge of the axe renders the edge no less sharp. I would hope that there is no hon. member on this side of the house who would be prepared to follow the course of action suggested,—

Mr. Fulton: Or on the other side.

Mr. Drew: —and I would hope that there were some on the other side of the house who would not be prepared to follow it;—

An hon. Member: You will not find very many.

Mr. Drew: I would hope there would be some on the other side of the house who would not be prepared to follow a course of action suggested by the Prime Minister when it is backed by a threat of closure of this kind.

We have had different kinds of closure already. We first of all had closure moved by the Minister of Trade and Commerce when we had before us the motion that it was expedient to introduce this bill. The notice of that closure was given before a single member of the opposition had been given an opportunity to indicate in any way what his position was here in this house. Then we had closure on second reading. Then when we came into the committee stage we had a type of closure never even attempted before in this or any similar parliament, when the Minister of Trade and Commerce rose on the calling of section 1 and moved postponement of the consideration of that section.

An hon. Member: Further consideration.

Mr. Drew: I should say further consideration of that section. That was indeed an affront to this house. There had been no consideration and therefore there could be no further consideration. We were allowed no consideration of any kind on section 1 where the opportunity presents itself to elicit information by direct questions. We were offered no opportunity to consider section 2. We were offered no opportunity to consider section 3. We were then given the opportunity to consider section 4 which, in a large measure, had become a futility because we had already passed over the definition and operative sections of the act.

Now, the Prime Minister suggests that we agree to sit tonight and Saturday, provided we will agree to their terms.

Mr. Sinclair: Just sit and talk.

Mr. Drew: The Minister of Fisheries has interjected, "Just sit and talk".

Mr. Sinclair: That is all you have done for the last 19 days.

Mr. Drew: Mr. Chairman, the difference is that I have stood in order to make my speeches whereas the Minister of Fisheries has sat and made his interjections.

Mr. Fleming: And rather senseless interjections too.

Mr. Drew: May I add that there have not been 19 days of discussion or anything like that. I would suggest to the hon. member he go back and examine *Hansard* to ascertain the limited opportunity there has been.

Mr. Sinclair: There have been 19 days of filibustering by the hon. member for Winnipeg North Centre and the hon. member for Kamloops, and the country knows it.

Mr. Fleming: That is the man who fell off the ladder.

Mr. Drew: There have not been 19 days of discussion, as the minister knows quite well. I simply place on the record the fact that his statement is without any foundation whatever.

We have before us here perhaps the most offensive proposal that has been made yet. Under the guise of a gesture of generosity to this house the Prime Minister says you can discuss this until the end of this week as long as you abide by our terms as to how we will force this bill through. Well, Mr. Chairman, we are not going to accept any terms of that kind. This government has taken the responsibility of making these proceedings completely ineffective from the point of view of a proper discussion of this bill in committee. I repeat, never before in this House of Commons have the members of this house been denied in this way the opportunity to proceed. Do not let any member opposite refer back to precedents where sections were bulked in one motion made as is now suggested. On the one occasion where something of the same nature was done, section 1 had been discussed and the opportunity had been presented to ask questions and to get answers. We were denied that opportunity which is the very beginning and the real foundation of the discussion in committee. This was denied

for the deliberate purpose of preventing us from obtaining the kind of information which might have brought out some of the facts the public in this country have a right to know about this strange procedure which has not yet been explained to us in any way.

This, Mr. Chairman, is adding insult to injury. Parliament has been denied its ordinary rights. Parliament has been injured by the course followed by the government on this occasion, and now to add insult to injury we are told, if we will meekly submit to the terms now imposed by this arrogant government you will be permitted to debate this to the end of the week. Then, what happens? We are going to have one day next week for the discussion of third reading. Mr. Chairman, this government cannot stop us discussing this until the end of the week. We are going to discuss it until the end of the week. They must accept full responsibility for whatever course is followed. Any pretence that we had it in our power at any time to guide the course of this debate through our actions is misleading.

What does the Prime Minister mean when he says it would have been possible for members opposite to have let the sections pass so that we could have got back to section 1? How much control have we been permitted over these proceedings? We asked the Prime Minister to give us an opportunity to get back to section 1. I asked that immediately when I pointed out the other day that his gesture meant nothing unless he was prepared to say immediately he would take the appropriate steps to return us to a discussion of section 1. When the Prime Minister's willingness to see a real discussion of this bill was tested by a vote, he voted against our opportunity to discuss section 1. What utter pretence it is for the Prime Minister to come here this afternoon and in this way suggest that we, in some way, could have obtained a discussion of section 1. We made one proposal that would have made that possible. We offered a vote on the subject which the Prime Minister might have supported and we could have been discussing section 1 for the last two days and perhaps actually getting the rights in that way to which we are now entitled. No, it was not within our power at any time to escape the shackles placed on this parliament by this arrogant government in the course that has followed.

Now, Mr. Chairman, there may be a number of hon. members opposite who have forgotten that they are members of a party which still describes itself as Liberal. They may be willing to submit to arrogant terms of this kind but we are not. There will be no consent to any arrogant proposal of the nature that has been put before us.

Mr. Coldwell: Mr. Chairman—

Mr. Sinclair: What you mean concisely is that you do not want to talk about the pipe line bill.

Mr. Coldwell: If the Minister of Fisheries wishes to speak, I will sit down and give him my place.

Mr. Sinclair: I do not want to filibuster on the bill. I would rather vote for the bill than filibuster on it.

Mr. Coldwell: Would the hon. gentleman care to stand up and say what he has to say? I will sit down while he does it. I am going to support the Leader of the Opposition, Mr. Chairman, in his approach to this proposal which has been placed before us by the Prime Minister. I do not think in the 21 years I have been in the House of Commons I have felt quite as keenly about this parliament as I have during the last week or 10 days. As I said the other evening, I am one of those who have always respected this institution, because I believed it to be the very best kind of institution that was yet devised for our self-government. But when, on the initial stages of this bill, at the very first opportunity, the Minister of Trade and Commerce when speaking on the resolution introduced closure, and then on the various clauses of the bill made a motion to postpone further discussion, I felt we had come almost to the end of this institution as a democratic parliamentary institution. I today am saying that we will not consent to sitting tonight nor, under the threat of closure, will we consent to sitting on Saturday.

The tension in this house has been severe on all of us. Already three members on this side of the house have broken down.

Some hon. Members: Oh, oh.

Mr. Coldwell: Hon. gentlemen opposite laugh. That shows the extent not only of their democracy but of their human feelings. That is the kind of thing that you would expect to see, as I said the other day, in the old German Reichstag when they rejoiced as men broke under the persecution of Hitler in Germany.

I say this debate has got to the stage where I hope the people of Canada are taking some notice of it. This government has been in power so long that it has become arrogant, and the time has come when the people of this country should have an opportunity of exercising some judgment over what has been done in this house over the last while. If the government believes that the Canadian

people are taking this, then let it test it out in a general election. I am convinced that this is, as I said, a travesty on democratic procedure, an abomination, an outrageous thing, and I am surprised that the Prime Minister, for whom I have had, through the years he has been in the house, the very deepest of respect, would come here this afternoon with a proposal of this description and over the last two or three weeks would have allowed this kind of thing to happen that has been happening in this house. Mr. Chairman, I can hardly say any more so I will sit down.

Mr. Low: Mr. Chairman, during the time when the Leader of the Opposition was speaking and more recently while the leader of the C.C.F. was speaking the house gave them ample opportunity to say what they wanted to say with very little interruption.

Some hon. Members: Oh, oh.

Mr. Low: I am sincerely hoping—

Mr. Pallett: You are supposed to tell the truth there, you know.

Mr. Low: I am sincerely hoping that the two parties on this side of the house who feel so keenly about this situation will grant me the same privilege.

Mr. Coldwell: Hear, hear.

Mr. Low: It is not my intention at the moment to enter into any recriminations; but I do think it is necessary at this time to consider the Prime Minister's proposal calmly and sensibly and not attempt to generate a whole lot of heat and no light.

I know that the two opposition parties who have been fighting this thing right from the beginning feel very keenly. In fact, I have never in all my 25 years of experience in a provincial legislature and in the parliament of Canada seen so-called well-trained minds allow themselves to be whipped up into the kind of frenzy that I have seen here. For the life of me I cannot understand how grown men, so-called mature men, can possibly justify the attitude that has been taken.

The Prime Minister today started out by putting a proposition before the house and I thought I understood him to say—

Mr. Pallett: The word "proposition" is sometimes, as here, associated with evil deeds.

Mr. Low: If the brilliant young man over here who likes to say so much would just contain himself for one second he will have his chance to get up and speak.

Mr. Pallett: No, I will not.

Mr. Low: As his leader so eloquently said a moment ago, he likes to speak standing up; so do I. If they have the courage of their convictions, let them stand up and speak instead of sniping and trying to stop someone else from speaking.

When the Prime Minister put his proposition before us it seemed to me that what he was saying to us was this,—and I believe he used these very words: the leaders of the parties might get together, or representatives of the parties, and discuss whether or not an arrangement could be made to extend the time of this debate by sitting tonight and by sitting on Saturday and on Saturday night. He said that if an arrangement of that kind could be made it might not be necessary to apply any unusual rules to the debate, and I looked at it in that way. I felt that here was an opportunity if the members of this house really want to get down and discuss the pipe line and get the details of all the questions that may be in their minds. Here is a chance for them to have ample opportunity. If they do not want the information and if they do not want to discuss the pipe line, then, of course, they will not accept it.

I am indicating my determination to give every member of this house every opportunity he desires to discuss this matter and to get the information that may be available and that he wishes, and I am certainly indicating right here the stand that our party will take. We would like to join in such an arrangement as this if for no other reason in the world than to make it abundantly clear to the people of this country that we are anxious to give these parties every chance they want to discuss the pipe line and not something else.

Mr. Pallett: Are you voting for or against closure?

Mr. Low: There again we have our brilliant young sniper over here who has not sense enough to keep his mouth shut. Mr. Chairman, it seems to me there is some good judgment that can be exercised in this committee by way of keeping quiet. I never saw anyone listen himself into trouble yet, but my young friend can easily talk himself into it if he keeps up his interruptions.

I was very much interested in listening to the Leader of the Opposition speak of things that he and his party were not able to get by way of answers to questions. There were so many things they wanted to get, and he said that if clause 1 had been before the house for discussion there was so much more that they would have had on which to base a judgment. I wonder whether the Leader of the Opposition can name one single thing relative to this pipe line bill that he and his colleagues have had no opportunity of discussing that they would have been able to

discuss if clause 1, 2 and 3 had been before the committee? I challenge him to bring forward one single thing. He cannot do it. It is easy to stand up here and say, "Now, I have said before and I repeat. Let me point out. I put on the record", and then expect that that makes it true. But it does not make it true. I think the Leader of the Opposition should be the last man in the world to expect that would make it true. I deny that the things he has been repeating and repeating and saying and putting on the record are true. They are not.

If these people are sincere in their desire to want to discuss the pipe line and all its ramifications, realizing that the government is up against the necessity of getting the thing through by a deadline, then they will show their good intentions by accepting the Prime Minister's proposal to sit tonight and to sit on Saturday and Saturday night. If they do not, there is no sense standing up here and calling it a travesty of parliamentary procedure, an abomination and all that sort of thing. It is easy to stand up and use exaggerated terms and try to get the press interested, but it does not make the thing true nevertheless.

I am just as anxious as anybody, Mr. Chairman, to have the freest and fullest discussion of this whole matter. I want to see this parliament given every opportunity to consider every part of this proposition, but I wish they would do so. We sit here day after day and listen to the worst claptrap and constant repetition of things that are simply silly for grown men to utter, and we do not hear anything about the pipe line.

An hon. Member: Except untruths.

Mr. Low: Yes, except a lot of foolish untruths. I would like to hear them get down to business and really discuss the matter on its merits instead of using every possible means to carry the thing beyond the deadline so that it will be destroyed.

Now, Mr. Chairman, I am not going to discuss what the leader of the C.C.F. said. He hopes that the people of Canada are taking notice; well, they certainly are taking notice of this debate. They are being given ample opportunity to take notice of this debate. I do not think they are insensible of what is going on here nor are they insensible of the way in which the rules have been used on this side of the house in an attempt to destroy what the government wishes to get through.

I would like to see hon. members on both sides of the house enter into a real down to earth discussion of the merits of this whole business, taking what time there is now to consider whether or not the Trans-Canada Pipe Lines proposals are worth while and whether they are possible. I would like to see them cut out this foolishness which I think has been the worst demonstration in this House of Commons in all its history.

I am going to close by saying that I would be glad if the whips of the parties would get together and agree to sit tonight, Saturday and Saturday night and give the house a chance to see if it is possible to finish the discussion without the application of closure. I do not like to see closure applied if it is not necessary.

Mr. McGregor: You voted for it.

Mr. Low: Yes, and there are some of the Conservatives who have been lying all over the country saying that we voted for it the first time.

Mr. McGregor: Perhaps they are following your example.

Mr. Low: They are not doing anything of the kind. The hon. member for Eglinton stood up and said we voted for closure the first time it was proposed. We did not because we felt at the time it was too early.

Mr. Fleming: Mr. Chairman, I want to make it quite clear that I did not say they voted for it the first time. I said they voted for it every time except the first time.

Mr. Low: You did not. If you go back and look at *Hansard* you will see that what I said is true. Anyway, let me explain, Mr. Chairman. We felt that the first time closure was moved in the house on this matter it was too soon. The hon. members of the opposition had not been given ample opportunity to consider the pipe line. We waited to see if they would take the opportunity and they did not. They discussed everything but the pipe line. They horsed around, they played with the rules, they brought up points of order and questions of privilege in every effort that could be made to destroy the chances of getting this thing through by the deadline, and when the next move came to apply closure we supported it then for the very reason the Prime Minister mentioned; namely, that no opposition group has the right to continue indefinitely to try to impose its will upon this whole parliament.

There comes a time in any parliament when it may be necessary to apply closure and I think in view of subsequent events the government quite rightly applied closure to start with. I believe the government, recognizing that it has to take the full responsibility for this measure, has proceeded step by step in the only way that was left to it by an obdurate and ornery opposition, and that was the reason, Mr. Chairman, that we felt we should support the government in

their move. We want to see this pipe line built because there are tremendous things at stake not just in Alberta but in relation to the whole country. This is a national issue. This is a thing that is good for the whole of Canada and I think we should look at it from that point of view as we in this group are trying to do.

I sincerely hope that good sense will prevail and that the representatives of the three parties on this side of the house and of the Liberal party will get together and agree to sit tonight, Saturday and Saturday night in order to see if we can obviate the necessity of a further application of closure.

Mr. Knowles: Mr. Chairman, as one of the whips who might be called to such a meeting if it were held I wish to give the answer to the Prime Minister's proposal in the form of a very brief answer that was made by Sir Wilfrid Laurier on April 9, 1913.

Some hon. Members: Oh, oh.

Mr. Knowles: I know that my hon. friends are sick and tired of hearing quotations from Sir Wilfrid Laurier but they are going to hear more of them before this is over.

On that occasion Sir Robert Borden speaking on closure said:

> . . . that the mere existence of the rule will itself prevent the necessity of its being brought into practice, at least very frequently.

And what was the reply of Sir Wilfrid Laurier? It is recorded in column 7407 of *Hansard* for April 9, 1913, and I throw these words of Sir Wilfrid Laurier back in the face of the present Prime Minister:

> Holding a terror above our heads.

Mr. Martin: It does not even deal with the point.

Mr. Knowles: Mr. Chairman, the Prime Minister implied and the hon. member for Peace River asserted that we are being obdurate and ornery and trying to defeat and obstruct the passage of this legislation.

An hon. Member: It is true.

Mr. Knowles: They suggest that is something we have no right to do.

Mr. Lennard: What are we here for?

Mr. Knowles: May I ask the Prime Minister, the present member for Quebec East, to read again from some of the words of the former member for Quebec East, that great Canadian Liberal, Sir Wilfrid Laurier.

An hon. Member: He was the only one of his kind.

Mr. Knowles: This is what he said about the duty of an opposition:

> . . . there are occasions, I repeat, when an opposition or a minority owes it to itself, on account of the strong views it holds upon some public measure, to oppose that measure with all the force at its command.
>
> This is not a modern doctrine. This doctrine has been in force at all times in the British House of Commons. It goes back to the days of Charles I; the books are full of references to it. The leaders of the house in the time of Charles I, in the struggle against the king to uphold the constitutional rights of the people of England, presented to the King what they called the Grand Remonstrance, and the presentation of the Grand Remonstrance was opposed all night by some members until, it is stated in the books, the house looked like a starved jury. That was an occasion when obstruction failed of its purpose.

I ask the Prime Minister to note the next few sentences in particular. This is Sir Wilfrid Laurier speaking, that great Canadian Liberal whose kind we no longer seem to have. He said:

> On another occasion in 1771, the majority of the house—

An hon. Member: Whoops!

Mr. Knowles:

> —did not want to allow the publication of the debates. That strange position was opposed by a minority headed by no less a man than Edmund Burke, and Burke by whole days of obstruction succeeded in defeating the object of the majority,—

These are the words of Sir Wilfrid Laurier, the former member for Quebec East, which I now direct to the present member for Quebec East:

> —and, as he himself said afterwards, 'posterity will bless the pertinacity of that day'.

Mr. Chairman, I believe the day will come when posterity will bless the pertinacity of those of us in this house who believe that parliament is still free and that we are not called upon to bow our necks to the tyranny of a despotic government.

After a few more choice instances from British history—hon. members who know the life and times of Sir Wilfrid Laurier know how heavily he drew on British history in his defence of the rights and privileges of parliament—he said this,—but before I give this quotation may I say that I support the challenge given by my leader that the Prime Minister take this matter to the country. I say that on the basis of what Sir Wilfrid Laurier said, and I quote:

> As I have said, there are some occasions on which there is a cleavage between the majority and the minority, and then there is an easy remedy, an easy solution. The remedy is not closure;

How many times have we to quote those words of Sir Wilfrid Laurier to get some Liberalism into the souls of hon. members opposite?

The remedy is not closure; it is not the application of brute force.

If I may interject and use those other words of Sir Wilfrid Laurier, it is not holding terror over our heads.

The remedy is an appeal to the people. The people, after all, are the judge and the jury. The people, after all, are the parties to pass judgment as between the government and the opposition, as between the majority and the minority.

I say to the Prime Minister that if he feels the minority in this house is seeking to obstruct the will of the majority his answer can be found in the words of his revered predecessor. That great Liberal said that the solution was not to impose closure, was not to use brute force, was not to hold the terror of the guillotine above our heads, but was to follow the only democratic, parliamentary and Liberal course—take this issue to the country. I join in that challenge which my leader and others have made to the Prime Minister—dissolve this house and take this issue to the people of Canada.

Mr. Dufresne: Mr. Chairman, after having heard during the closing hour of last night the hon. member for St. Lawrence-St. George, who as a big corporation lawyer represents millionaires and defends them, I think it is only right that I as a representative of a labour riding should quietly interject the views of the people. My people being French-speaking, I shall continue my remarks in my mother tongue.

(*Translation*):

Mr. Chairman, to remove any misunderstanding on the part of those who would believe that Quebec members have nothing to say about the bill now before the house, I would like to follow the example set by my colleague from Three Rivers (Mr. Balcer) and bring my modest contribution to this debate.

In my humble opinion, not for years had a bill so momentous, of such far-reaching consequences, been introduced in this house. And although, in an attempt to prevent the opposition from properly debating this bill a motion for closure has been voted by a majority skilled in the abuse of its overwhelming power, we feel it our duty to use our few remaining minutes of freedom to express our opinion.

This pipe line project, a huge or even colossal undertaking, will entail an expenditure of $90 million, 90 per cent of which will be paid, for the present at least, by the Canadian taxpayers, while the remaining 10 per cent will be contributed by a foreign company chosen, designated and desired by the government.

Parliament is therefore asked to approve a loan of $80 million for a project which will cost $90 million, a loan that will bear interest at 5 per cent and which has to be refunded on April 2 next, that is April 2, 1957, by the Trans-Canada Pipe Lines Limited, because that is the company concerned in the bill.

Mr. Chairman, this brings me to denounce at this time the blatant contradiction of our friends opposite; they seem to be fond of contradictions whether they be at Ottawa or Quebec.

Mr. Chairman, with the help of American capital, but for the benefit of our province, we have undertaken to develop the vast natural resources with which Providence has endowed the province of Quebec.

In Ungava, in northern Quebec, are the world's richest deposits of iron and other ores. We have thought that the development of these rich deposits would benefit not only the province of Quebec but the whole population of Canada. As we could not find elsewhere the hundreds of millions of dollars of Canadian capital needed for this development, and thanks to the excellent credit of the province of Quebec, we have succeeded, Mr. Chairman, in getting the necessary money from American investors.

I have said a moment ago that this will benefit the province of Quebec and also, I believe, the majority of Canadians.

Mr. Dupuis: And the electoral fund as well.

Mr. Dufresne: We could come back to that later if my hon. friend wishes to do so.

Mr. Dupuis: I will speak about it later.

Mr. Dufresne: If my hon. friend had at least the courage of his opinions, he would not stay in his seat; he would be bold enough to stand up when he speaks.

Mr. Dupuis: We will come to that later.

Mr. Dufresne: Some people claim that this is not to the advantage of the province of Quebec but this considerable development of our resources not only yields corporation taxes but creates thousands of jobs, ensures the continuous growth of our economy and helps to set up new industries in a district so long neglected by our Liberal friends. Corporation taxes would bring in still more money, Mr. Chairman,—

Northern Ontario Pipe Line Corporation

Mr. Boisvert: Tell us something about the pipe line!

Mr. Dufresne: —If the Ottawa centralizers were not depriving provinces of their best means of revenue. We, in the province of Quebec, welcome American capital to promote the development of our natural resources, under the control of the owners of those resources and in the best interests of the people of our province and of our country.

But what a contrast to behold now, Mr. Chairman! In Quebec, we are using American capital to develop our natural wealth for our own benefit. Therefore, over $300 million were earmarked and spent for the discovery and development of our iron ore, and over $125 million were used in the building alone of the railway between Seven Islands and Knob Lake. Some people claim that our ore is being sold at a cent a ton, but I challenge anyone to prove it, for in fact the province of Quebec gets 75 cents a ton for the ore now mined in Ungava.

Mr. Boisvert: What about the pipe line?

Mr. Dufresne: When I discuss it, you will probably be still less interested, and I shall ask my good friend, the member for Nicolet-Yamaska (Mr. Boisvert) not to tire himself in the meantime.

Mr. Boisvert: Nothing ever tires me when you are doing the talking.

Mr. Dufresne: Mr. Chairman, here is what is happening now at Ottawa. With the help of a subservient majority, and contrary to the wishes of the Canadian people and in spite of their protests—one has only to read the newspapers to see that—the government takes $80 million of the Canadian taxpayers' money and lends it to foreigners, to Texas promoters, friends of the right hon. Minister of Trade and Commerce (Mr. Howe), who will come to Canada to reap large profits and batten on the work and sweat of our fellow citizens.

We have there a blatant contradiction, Mr. Chairman; the time has come to let the Canadian people know on what side those men are sitting who, by a contradictory stand which I will not qualify because the words I would use would not be parliamentary,—do not care much and have no respect for truth.

The people of Quebec are developing, I repeat, our natural resources with the help of American capital, through a project approved by the people of Quebec and by all serious and thoughtful Canadians. Yet what seems very strange—and I wonder, Mr. Chairman, if you have noticed what is now taking place in the house and some distance from the capital—since the beginning of this undertaking, that is since American capitalists came to the province of Quebec and started to explore and develop our vast natural resources, a man stood up in this house to contradict those who criticize the undertaking, and to assert that it was the only possible solution to ensure the development of our natural resources. He then spoke with authority, because the right hon. Prime Minister and member for Quebec East (Mr. St. Laurent) thereby approved the development of those areas and lauded the perspicacity of the man who now administers the affairs of the province of Quebec by using that capital.

What did we see then? Following that statement, every Liberal member, particularly those from the province of Quebec, frantically applauded the words of their leader, the right hon. Prime Minister. What is the situation now? What do we see today? The same members who then applauded the Prime Minister are now taking, in the Quebec election campaign, a stand which is the very reverse of their former one, since they are supporting the provincial Liberal leader, who goes on making rash, foolish and ridiculous statements on the Ungava project, and they applaud him frantically—

(Text):

Mr. Boisvert: Mr. Chairman, on a question of order.

An hon. Member: There is no question of order.

Mr. Boisvert: Yes, there is a question of order. There is no question of the election in the province of Quebec with respect to that bill, and the hon. member is dealing with the provincial election in Quebec at the present time.

Mr. Dufresne: On the point of order.

The Acting Chairman (Mr. Brown, Essex West): I draw to the attention of the hon. member that we are now discussing Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, clause 4. If he has something further to say on clause 4, he may proceed.

Mr. Dufresne: On the said point of order—

Mr. Boisvert: The point of order is decided by the chairman.

Mr. Dufresne: Mr. Chairman, will I be allowed to answer the point of order that was raised by my hon. friend from Nicolet-Yamaska? I think it is the right of an hon. member—

An hon. Member: No point of order.

Mr. Dufresne: I am just trying to contradict —and I have succeeded in contradicting—the Liberals who are sitting right now in this House of Commons.

The Acting Chairman (Mr. Brown, Essex West): Order.

Mr. Dufresne: I am just telling the people of Canada at this moment that they say one thing in this House of Commons and, when they are back in the province of Quebec, they say exactly the contrary to what they say here. It is about time that we had one policy throughout Canada from this party.

Some hon. Members: Hear, hear.

An hon. Member: It is about time you had a policy.

(Translation):

Mr. Dufresne: That is why, Mr. Chairman, I hasten to tell my hon. friends opposite that it is high time they tuned up their fiddles, because they are making themselves increasingly ridiculous in the eyes of the public.

Mr. Chairman, the people of this country now realize only too well that the sole aim of the members of the Liberal party is to get into power and hang on to it, and nothing else. Little do they care about the welfare and prosperity of the people of Quebec or the whole people of this country. Somehow the Liberals of today remind us of the Hitlerian hordes, during the last war, who thought of themselves as of a superior race, descended from the gods—

Mr. Dupuis: That was Mr. Bennett's statement.

Mr. Dufresne: Well, he was talking sense, and my hon. friend from St. Mary might attempt to do as much.

Mr. Dupuis: Before he went over to England.

Mr. Dufresne: Mr. Chairman, we are not opposed to the building of a pipe line. However, we demand that the representatives of the people, wherever they may sit in this house, be given a full opportunity to discuss this matter in a free parliament, under a truly democratic system such as we are supposed to have in this country.

In the last analysis, Mr. Chairman, it is proposed here to spend $80 million of the taxpayers' money. No doubt the right hon. Prime Minister will say that a million dollars is "peanuts", that such a sum represents perhaps one pound of "peanuts". However, we must admit that the taxpayer has to foot the bill; it is he who has worked to produce these millions levied as taxes by the government.

However, Mr. Chairman, we are in favour of private enterprise. Now, hon. members opposite will say that this is truly private enterprise but, in my opinion, it is irresponsible private enterprise. I am convinced that, on the 1st of April next, the government will again ask parliament to extend the powers which it now proposes to give to Trans-Canada Pipe Lines Limited.

Mr. Chairman, what are the methods used to reach these objectives? It has been pointed out time and again that, even before the motion of first reading was adopted, the government applied closure. The representatives of the people, and therefore the people themselves, are being deprived of the right and privilege of expressing their views on the matter, a right and a privilege recognized in any democratic parliament or constitution. Moreover, what has happened in this house in the last week or so has seriously and considerably impaired the Canadian parliament. We had never seen a bill so undemocratic. The government invites a foreign company to come to Canada and tells them: "You are going to tell Canadians what they should do. You are going to tell the taxpayers, with unprecedented impudence: Whether you like it or not, we are going to lay our hands on 80 millions of your money," money earned through hard work, owing to the conspiracy of the government and, incidentally, through the influence of the right hon. Minister of Trade and Commerce (Mr. Howe). The most objectionable means in a democratic parliament are now being used and imposed in order to block any discussion on this matter. And so those sharks will say to us: "Whether you like it or not, we will become multi-millionaires with the money of the Canadian people", that money as I say, which they earned through hard work.

Well, Mr. Chairman, let me define in my

own words the present position of the government as far as the discussion of the bill that is now before us is concerned. It is a "hold-up" of the people's money to the benefit of foreign interests, a hold-up perpetrated with the sordid complicity of the right hon. Prime Minister, the Minister of Finance, the Minister of Trade and Commerce and all those who sit in front of me and applaud the government's action.

Mr. Chairman, there have been many references, in this house, to centralization. Small wonder that all provincial powers are being centralized in Ottawa, in the face of all this striving to centralize all procedures and rules of the house. This closure rule, this gag, this guillotine, no matter how you choose to call it, is nothing less, Mr. Chairman, than a most shameful sabotage of our parliamentarian institutions. Those who claim to be the saviours of the race are now, more than ever, the worst threat to our beloved freedoms. They have just made a gigantic step that will rapidly lead us to a shameful dictatorship, unless we use all the democratic measures at our disposal to put a stop to the slavery which awaits us.

In my opinion the position taken by the Liberal members is the most degrading deceit our parliament has witnessed since 1867.

Mr. Dupuis: Nonsense!

Mr. Dufresne: Mr. Chairman, I shall not take the time to notice the interjections of the hon. member for St. Mary (Mr. Dupuis). We know that his interjections are intelligent, and I sandwich the word intelligent between quotation marks.

Mr. Dupuis: Well, what do you know!

Mr. Dufresne: Mr. Chairman, I wonder who advised the cabinet to resort to that shameful procedure of closure, which now forces the opposition to fight with all its strength to get out of that concentration camp in which the government has placed it. It is surely not our taciturn Prime Minister who, but a few days ago, finally put an end to his silence and delivered his maiden speech, his first since last January.

Mr. Gauthier (Portneuf): Very smart!

Mr. Dufresne: It is surely not the right hon. Minister of Trade and Commerce, although he has tremendous powers, which he uses and even abuses.

I asked myself a question, Mr. Chairman, and I would like to say it aloud this afternoon. Would it not be the hon. member for Temiscouata (Mr. St. Laurent), who stated himself last September that he was the adviser of the Prime Minister, the grey eminence of the government, who was supposed to make his baneful influence felt behind the scene. Would he not be the one who, some morning, softly whispered, in a very filial way, into the ear of the Prime Minister the word closure, because he was of course able to see the Prime Minister of Canada in his pyjamas.

Mr. Boisvert: Why don't you talk about the pipe line bill, which is before the house?

Some hon. Members: Order!

Mr. Dufresne: The hon. member for Nicolet-Yamaska does not like pyjamas!

Mr. Boisvert: Never mind my likes or dislikes, and come around to the pipe line, will you?

Some hon. Members: Order!

Mr. Dufresne: Mr. Chairman, let us not try to fathom that mystery. Rather let us mournfully consider what will happen to our freedom, unless we react!

And then, those very people who resort to closure, who approve of this procedure which had never been seen in a Canadian government, who are undemocratic, go about in the province of Quebec talking about dictatorship, suggesting that a certain administration is a threat to responsible government for which Papineau and Mackenzie have fought! Is it not the very statement made the other day in Montreal by the hon. Secretary of State (Mr. Pinard)?

Mr. Pinard: I was perfectly right in saying so, and you know it.

Mr. Boisvert: Talk about the pipe line!

Mr. Dufresne: It is clear that the Liberal party wants—

An hon. Member: Progress.

Mr. Dufresne: It seeks to grasp all governments, federal and provincial, to satisfy its thirst for power, to enslave us and to deprive the Canadian people of what is left of its national pride.

I have here, Mr. Chairman, a very edifying photograph. It was reproduced in *Le Devoir* and shows the provincial Liberal leader in the province of Quebec, the hon. Minister of Transport (Mr. Marler) and the hon. Secretary of State (Mr. Pinard)—

Some hon. Members: Hear, hear!

Mr. Dufresne: My hon. friends' enthusiasm may cool down a bit when they have taken a good look at what two Ottawa ministers are doing to the one who represents them in Quebec. Does it not look as if they are in the process of putting handcuffs on the Liberal party leader in Quebec, just as if he were the slave of his Ottawa masters?

Here is another picture, Mr. Chairman, showing a free man, who does not belong to the Liberal party, who is not afraid to speak in this house to assert his own and every Canadian's right to freedom. I am speaking of the hon. member for Eglinton (Mr. Fleming).

Mr. Chairman, what the Conservative party wants is a committee to give full consideration to the matter, and to decide whether it is in Canada's interest to lend $80 million of our taxpayers' money to a foreign corporation. Why not appoint such a committee? Because they are afraid of questions, on the other side of the house. The hon. member for Peel (Mr. Pallett) asked some questions which will most probably remain unanswered.

An hon. Member: Why don't you speak about the pipe line!

Mr. Dufresne: We want a committee that will allow full consideration of the bill now before the house.

Mr. Dupuis: Three cheers for the Lacombe act!

Mr. Dufresne: Mr. Chairman, the hon. member for St. Mary has just uttered a word that painfully struck home. For the past few years I have been sorely tried, and I am still beset by—

An hon. Member: Heavy expense.

Mr. Dufresne:—trials which Providence has seen fit to impose upon me and which I accept like a good Christian. That remark by the hon. member for St. Mary is a cowardly remark, and could only be spoken by a coward such as the hon. member for St. Mary. I hope he will have the courage to repeat outside the house what he just said. Fat-head! No wonder the people of Quebec keep repeating just now "Like father, like son". The hon. member for Dollard (Mr. Rouleau) is not quite as brave as he would have us believe. He is more often behind the curtains than in front of them.

Mr. Chairman, we have asked that the matter be referred to committee, and we will keep on asking it, in the hope that our request will be granted, if there is a little freedom left in this house.

Judging by the press reports we read every day, the people of Canada favour the opposition, the Conservative party, which is now fighting mightily to secure the necessary information in connection with the bill now before the house. If however, the government feels so sure of their strength, of their numerical strength that is, of their arguments which everybody denies, let them call a general election. It is their duty to consult the people on this important matter of public funds expenditure. Then all Canadians, not only those in the province of Quebec, but all over the country, will be able to look at the coat of arms of the province of Quebec and say: "Je me souviens" (I remember). If the government should go to the people, they would get the people's reply.

(*Text*):

Mr. Howe (Port Arthur): I have a correction that has to do with the figures I gave on the cost of gas. The figures appearing on page 4426 of *Hansard* for May 29, at the end of column 1 and the beginning of column 2, relating to interruptible gas are in error. They were quoted as being the current revised rates, but were read from an unrevised tabulation. The following are the figures quoted, followed by the correct current revised figures: For Manitoba I said 23 cents and it should be 18 cents; western Ontario, 28 cents should be 25 cents; northern Ontario, 32 cents should be 29·5 cents; central Ontario, 33 cents should be 30 cents; eastern Ontario, 33 cents should be 30·5 cents. Hon. members will find that the figures appearing on page 4428 are correctly stated.

Mr. Diefenbaker: You had better get Trans-Canada to revise its statement in Washington.

Mr. Dupuis: Mr. Chairman—

Mr. Michener: Arising out of what the minister has just said—

The Acting Chairman (Mr. Brown, Essex West): Does the hon. member wish to rise on a question of privilege?

Mr. Michener: I was asking the hon. member who is taking the floor if he would permit me to ask a supplementary question.

Mr. Dupuis: You can ask your question afterward. You have been asking so many questions you should let somebody else speak, unless the minister wants to answer.

Mr. Howe (Port Arthur): Yes, please.

Mr. Michener: I have been looking at the corrected figures and I should like to draw the attention of the minister to the fact that this statement appears on page 4428 of *Hansard* for May 29, in the second column:

> During the first three years only, gas may be accepted at Canadian-United States border at 75 per cent load factor, with price payable to Trans-Canada 27·27 cents per MCF.

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I then call his attention to the corresponding price in Manitoba at the top of the first column at 75 per cent load factor, which is 28·3 cents. It seems to me this indicates that the price on the Canadian side will be higher than the price on the United States side.

I refer back to the question I asked the minister earlier in the day. Was not the C.B.C. wrong in putting the reverse interpretation on those figures in this morning's eight o'clock news broadcast? I find no case in the earlier prices which will be charged by Trans-Canada where the prices charged on the Canadian side will be less than the prices charged on the United States side.

Mr. Howe (Port Arthur): I am glad you called my attention to that fact. If the difference is as stated, it must be corrected because the electricity and gas exportation act provides that Canadian gas cannot be sold outside of Canada at a price lower than the sales price to Canadians under similar conditions and at similar distances from the source of supply in Canada. I will have the situation looked into and any required correction made in the schedule.

Mr. Diefenbaker: The Trans-Canada corporation is making that representation in Washington.

Mr. Coldwell: I wonder if the minister would permit one more question in regard to the prices he quoted? How firm are they, and for what period of time do they remain?

Mr. Howe (Port Arthur): Twenty years in the case of Winnipeg and 25 years in the case of Tennessee Transmission in the event of that contract becoming firm. There is a proviso in the contract that unless the gas can be taken by a certain date the contract becomes void.

(Translation):

Mr. Dupuis: Mr. Chairman, as it is urgent that this pipe line bill be put through, I wanted to avoid dealing with that question, in order, precisely, to allow the hon. members opposite to be heard so they might stop complaining at the top of their voices that they were being deprived of free speech, but when I chanced to overhear the ravings of the hon. member accidentally elected in Quebec West, I thought I should step into the breach.

Mr. Dufresne: Just go out in Quebec West and see whether I was elected by accident.

Mr. Dupuis: I thought I should step in and show up the game the hon. member for Quebec West is playing in this parliament. He plays exactly the same game as the Conservative and the C.C.F. members are playing now in the hope that their obstructionist tactics will have some effect on the provincial elections which are now taking place.

Mr. Dufresne: We don't need that.

Mr. Dupuis: But that at least will confirm my opinion to the effect that—

Mr. Dufresne: Have you ever had any opinions?

Mr. Dupuis: —that the Drew-Duplessis axis is a live factor in our province, and one well supported in this house by the hon. member for Quebec West.

Mr. Dufresne: This is not exactly brilliant.

Mr. Dupuis: Brilliant or not, let us go a bit into the evidence of the hon. member for Quebec West, which must be taken into account.

Mr. Dufresne: It was not evidence, it was a conviction.

Mr. Dupuis: Let us see what the Drew-Duplessis team really means: it is probably the reason for the amount of filibustering we are getting from that side of the house. Do you want to know what was published in the ridings of Bellechasse and Temiscouata during the last elections? I shall read it out in French.

(Text):

For the edification of my English colleagues I am going to translate the circular which was published by friends of, if not by, the hon. member for Quebec West. It will prove at the same time that there is certainly a union with Duplessis in our province, but I wonder whether there will be such a union after I read this to my friends which was again, I say, published by close friends, if not by the hon. member for Quebec West. Let us see what he was saying. I shall again revert to French, but please be patient; I am going to read it in English and hon. members will be edified.

(Translation):

An election was going on in the ridings of Bellechasse and Temiscouata, and that is what his friends, or the representative of the Drew-Duplessis axis himself, published at that time:

What your vote means.

(Text):

Again I tell my English colleagues that I shall read it in French first and they will be astonished that such a thing should be published in the province of Quebec by friends of, if not by, the hon. member for Quebec West. The report is from his own party. They know about the circular.

(*Translation*):

Here is what the circular said:

Even if you have full confidence in the present federal administration, you do not know who will soon be at the head of this predominantly Anglo-Protestant government.

You cannot run the risk of having such a government, which would be hostile to the French and Catholic elements, and persecute the Quebec French Canadian race.

Under the present system of subsidies, the Ottawa government would have the necessary weapons to starve and crush the province of Quebec.

I skip a portion of it.

A vote for St. Laurent is a vote for slavery. A vote for Bérubé is a vote for freedom.

Mr. Dufresne: This was copied from the Liberals.

(*Text*):

Mr. Dupuis: I am going to translate this. Do you want to know what was published during the last election in Bellechasse and Temiscouata? "Even if you are entirely satisfied with the present government, you do not know who will be at the head of this government whose majority is composed of Anglo-Protestants".

Mr. Dufresne: Have you the courage to give names?

Mr. Dupuis: I say there is no name. You hide yourselves, as you always do. "You will not take the risk with such a government that will be hostile to the French and to the Catholics, who would prosecute the French Canadian race in Quebec". Again I am telling this to my Anglo-Protestant friends.

Mr. Michener: On a point of order, I want to thank the hon. member for St. Mary for yielding the floor to me a minute ago. Is it his contention that the pipe line is being extended to Ville Marie or Bellechasse, or some place beyond Montreal?

Mr. Dupuis: No, that is not the intention at all. I want to say to the opposition that one of their main reasons for putting up opposition in this parliament at this time is that there are two elections going on, one in Saskatchewan and one in Quebec, and I am proving that there is an alliance between Drew and Duplessis in my province.

Mr. Dufresne: You yourself spent the last two weeks campaigning.

Mr. Dupuis: It is true.

(*Translation*):

It is quite true that the Drew-Duplessis alliance will be celebrated at Quebec. This is what I read in *Samedi-Dimanche* of March 13, 1955:

An important political event is under way at Quebec. In fact, we have learned that friends of Mr. Wilfrid Dufresne M.P., of St. Sauveur, are preparing a celebration, to be held at the Little Coliseum of the Exhibition Park . . .

Just like a circus. That is my own word, and it is the only one.

The purpose of this meeting is to emphasize the great work done by Mr. Dufresne at Ottawa for his electors and his fellow-citizens of the province of Quebec.

I would also add for the Conservative party. That has not yet been denied and I defy him to deny it now.

Mr. Dufresne: Mr. Chairman, I rise on a question of privilege. The hon. member for St. Mary has just said that there is in the province of Quebec what he has called the Drew-Duplessis-Dufresne axis.

Some hon. Members: Are you ashamed of it?

Mr. Dufresne: Mr. Chairman, I wish to state—

An hon. Member: This is not a point of order.

Mr. Dufresne: I must have the right, in this house, to refute a statement which is inaccurate and groundless.

(*Text*):

The Deputy Chairman: Order. I think the whole committee appreciates my position. The hon. member for Quebec West is rising on a point of order. I am going to ask him to do me a favour. I am not capable of following his point of order in French. I know he is able to give it to me in English. If he is rising to ask questions of the hon. member for St. Mary, who took his seat, then I have no desire to interfere with him.

Mr. Dufresne: For your benefit, Mr. Chairman, I shall refer to his comments in English.

Mr. Dupuis: That is not a point of order.

Mr. Dufresne: I am speaking on a point of order right now.

Mr. Dupuis: Go ahead.

Mr. Dufresne: I would like to tell my friend the hon. member for St. Mary—

Mr. Dupuis: That is not a point of order.

Mr. Dufresne: —that the axe he is speaking about concerning Drew, Duplessis and Dufresne is in his mind and in the mind of the Liberal party. If I am connected with my leader I have no objection at all, because I am proud of my leader and I shall continue to follow my leader, the Leader of the Opposition, no matter where he is in this country.

The Deputy Chairman: Order. I would suggest to the hon. member for Quebec West that this is another case of an interjection because he did not agree with something said by the hon. member who technically has the floor. If the hon. member for Quebec West feels his remarks were misinterpreted or that

for good reasons he should interrupt, I will assure him he will have an opportunity to make corrections—not necessarily to make another speech—at the conclusion of the remarks of the hon. member for St. Mary. The point raised by the hon. member for Quebec West is one of debate and not one of order.

(Translation):

Mr. Dupuis: Well, Mr. Chairman, I would not have thought that the hon. member for Quebec West would back me up so soon in proving once and for all, and definitely, that the Drew-Duplessis axis is a fact in the province of Quebec.

Mr. Dufresne: On a point of order, Mr. Chairman. The hon. member for St. Mary has no right to distort my words. I have spoken clearly enough, and I think that my statements in this house are clear enough to be understood. I said that the axis he mentioned exists only in the minds of the Liberals. However I am proud to follow my leader and to see my name linked with that of the greatest prime minister the province of Quebec ever had.

Mr. Dupuis: Mr. Chairman, I would not distort, as he said, either the words of the hon. member for Quebec West or the hon. member himself, for he is distorted enough already. If I can give him a piece of advice, I would urge him to keep cool. Otherwise he will join the three members who, they say, are ill for having taken part in that marathon which has been going on for so long in this house.

Mr. Dufresne: The same thing might be asked of the hon. member for St. Mary.

Mr. Dupuis: We will now go on with our remarks without paying any attention to those of the hon. member for Quebec West.

As I say, at the next elections he will get what is coming to him—

Mr. Dufresne: We will be waiting for you.

Mr. Dupuis: I will be ready to meet you whenever you wish, tomorrow, next week, where and when you wish.

Mr. Dufresne: Very well, it is a deal.

Mr. Dupuis: Don't forget to bring your leader, Mr. Drew, of whom you are so proud—

Mr. Dufresne: Sure I am proud of him.

Mr. Dupuis: He will then be able to make speeches on family allowances and tell us that we are a defeated race, as he once said. Bring along your leader!

[The Deputy Chairman.]

Mr. Dufresne: Mr. Chairman—

Mr. Dupuis: Bring him on; we shall be expecting him.

I shall now continue my remarks. I had stated that, in my humble opinion, there is no doubt—

Mr. Dufresne: You do have an opinion?

Mr. Dupuis: —that the present obstruction stems from the provincial elections now under way in two provinces. I have not yet spoken of provincial elections—

Mr. Dufresne: Mr. Chairman—

Mr. Dupuis: Let the hon. member for Quebec West bide his time; I am coming to that!

An hon. Member: You will lose nothing by waiting.

Mr. Dupuis: I come back to the gas pipe line. There have been many references in the province of Quebec, to the Prime Minister's statement that it was in the interest of Canada to bring in foreign capital. What the right hon. Prime Minister said—and I know that he can well speak for himself,—but if I understood him correctly—

(Text):

Mr. Dufresne: Mr. Chairman, on a point of order—

(Translation):

Mr. Dupuis: —he did not say, he did not approve—

(Text):

Mr. Dufresne: Mr. Chairman, on a point of order—

The Deputy Chairman: Order.

Mr. Dufresne: Mr. Chairman, on a point of order I would like to draw to your attention—

(Translation):

Mr. Dupuis: Mr. Chairman, I would like to continue my remarks—

(Text):

Mr. Dufresne: Mr. Chairman, on a point of order—

The Deputy Chairman: Order. I must hear the hon. member for Quebec West on a point of order.

Mr. Dufresne: I would like, Mr. Chairman, to draw your attention to the fact that the hon. member for St. Mary has not very much respect for the Chair because instead of addressing his remarks to you he is most of the time talking to the gallery upstairs. I wonder if there is a delegation from St. Mary up in the gallery listening to the many things he is speaking about?

(*Translation*):

Mr. Dupuis: I can say at once to the hon. member for Quebec West that I first took the precaution to state that I had not intended to speak. As I am a truly great representative of the people, I am not afraid to turn to the people, to speak to people in the galleries, even to the press gallery, and to all those who honour me with their attention.

Mr. Dufresne: This is the climax of the comedy.

Mr. Dupuis: If you really mean to be the representative of the people, I presume that you will not shirk your duty. That is your problem. But, as I say, we are going to talk about pipe lines. Once again I say that we of the Liberal party were never opposed to foreign investments in that province, but we did oppose the policy of giving away our natural resources to foreign interests and of dilapidating the province according to the requirements of campaign funds of the party supported by the hon. member for Quebec West in the coming election.

Mr. Dufresne: I do not support it, I do not even take any part in it.

Mr. Dupuis: No, Mr. Chairman, the word has gone around to "Keep Dufresne under cover. He cannot be shown in public."

Mr. Dufresne: You make a handsome picture, yourself.

Mr. Dupuis: For the last few days we have heard much about closure which has been applied perhaps by necessity—in the first case, perhaps somewhat out of time—I will give here the benefit of the doubt—but definitely to prevent a filibuster. Members have talked about closure. Well, the members of the opposition have been given an opportunity to show that they were serious. Let us remember that, in my speech on the budget, I urged Conservative members to be consistent, to show a little logic. Well, I make the same request today. The right hon. Prime Minister has just asked, in a democratic way, in this house, to give more time to the opposition to state its case against the bill now under consideration.

Now, these very people who, in this parliament, are the official representatives of inconsistency refuse the additional time that we are ready to allow them by sitting tonight and all day Saturday. All I ask the members of the opposition is to be a little more consistent. Instead of claiming in season and out of season that democracy is threatened—

Mr. Dufresne: It is true.

Mr. Dupuis: We are making a democratic offer and the very people who claim that the rights of parliament are being scuttled do not want to sit here when they are offered the chance to do so.

They keep clamouring that this pipe line will be of no profit except to American financiers. There is none so deaf as those who don't want to hear. How many times has the minister of Trade and Commerce repeated in this house that 51 per cent of the equity capital of the company will be offered on the Canadian market? That is, to my mind, a sound assurance.

Secondly, this gas pipe line—as has been so often said in this house—will be built entirely on Canadian territory. It is certainly not a sellout of one of our natural resources, as when the premier of the province of Quebec sells out the ore for one cent a ton for shipment to the United States. We will have a pipe line all across the country, that will be a source of wealth for certain of the provinces, and at the same time of benefit to them all. That is all the difference.

But they say that the Trans-Canada Pipe Lines is an all American concern.

I can look at you; I can look at anybody. There is no standing order under which one may only look at the hon. member for Quebec West.

Mr. Dufresne: I don't like to be stared at in this way.

Mr. Dupuis: Mr. Chairman, it has been assumed in certain quarters that the main interests, or even all interests in the Trans-Canada Pipe Lines are in American hands—

Mr. Dufresne: 83 per cent.

Mr. Dupuis: The Hon. Edouard Asselin, attorney general of the provincial government of Quebec is a director of Trans-Canada Pipe Lines Limited. Is he an American? Indeed, I have just been told that Mr. Asselin was a director of Trans-Canada. Is the Hon. Edouard Asselin, attorney general and the right hand of the Hon. Maurice Duplessis, premier of Quebec, and a director of the Trans-Canada Pipe Lines corporation, a Canadian or an American?

Mr. Dufresne: He is not attorney general.

Mr. Dupuis: I don't know just what position he holds. Is he attorney general?

Mr. Dufresne: Nor that, either.

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Mr. Dupuis: Nobody knows what their responsibilities are in the National Union cabinet. At one time, they are here and, at another time, they are there. At all events, he is close to the premier of the province, he is his right hand man, he gives him advice, most of the time, when a decision has to be taken. I am being reminded that Mr. Asselin is a member of the legislative council. It may be that the hon. member for Quebec West never forgets anything, but I do admit that I am not infallible, and I correct the mistakes I make.

Therefore, Mr. Asselin—

(*Text*):

The Deputy Chairman: Order.

Mr. Dupuis: Am I through?

The Deputy Chairman: The hon. gentleman's time has not expired, but even though this debate has been extraordinarily general, if I may say so, the pipe line seems to have extended from Vancouver island to the far end of Newfoundland and I do believe that the hon. member who now has the floor is discussing matters which it would be extremely difficult to connect not only with clause 4 but with Trans-Canada Pipe Lines or Northern Ontario Pipe Line Crown Corporation. I would ask the hon. member in the time which he has left to come back just a little closer to the bill.

Mr. Dupuis: I am sorry, and I really mean it, that you do not understand French. Hon. members on the other side have said that this is being done with all United States capital and by all United States interests. I am simply trying to prove that Edouard Asselin, who is the right-hand man of Hon. Maurice Duplessis, premier of the province of Quebec, is one of the directors of Trans-Canada Pipe Lines. He is not an American, he is a Canadian. That is all I was trying to prove.

Mr. Dufresne: Oh, oh.

Mr. Dupuis: Mr. Chairman, are you taking account of all this nonsense that is being said and allowing me time?

(*Translation*):

So, Mr. Chairman, we do not fear going to the people on this matter. However I am wondering, as was the other day a Social Credit member from Alberta, what our Progressive Conservative friends would do if the right hon. Prime Minister decided to call an election. They would surely be very downhearted and in despair; they would become so pale as to look quite like white sepulchres, as they are.

[Mr. Dufresne.]

Mr. Dufresne: We would come to power faster than is expected.

Mr. Dupuis: Mr. Chairman, I speak loud, but I keep calm and I am in a particularly good humour. We must, as I say, revert to logic.

Mr. Dufresne: True you had wandered far from it.

Mr. Dupuis: Are the opposition members sincere? Are they? Do they or do they not wish merely to have time to discuss this matter? Then, as pointed out a while ago by the leader of the Social Credit party, here is excellent opportunity to prove it. In a democratic gesture the Prime Minister tells the opposition: "You complain of not having enough time to discuss this question. We will give you the opportunity to debate it further, though you have spent your time interrupting the work which could otherwise have been done. We offer you the opportunity of further debate, by way of three extra sittings. We offer you the opportunity to make your point." But what, the opposition refuses this democratic offer.

How do they expect the people to believe them when they will say that we have gagged them, while we have followed the course of wisdom in adopting the bill within a prescribed time.

Mr. Chairman, before concluding my remarks, and in case there is a misunderstanding as to the closure rule to which my hon. friend from Quebec West referred a moment ago, I would like to state—

(*Text*):

An hon. member tells me that I have three minutes left. I believe I have six minutes, but I will leave that to the chairman to decide.

(*Translation*):

The hon. member for Quebec West cried out that, contrary to all democratic principles, we are refusing them the freedom of speech we cherish and which has been conquered by our forefathers and our great Canadian heroes who have died on the battlefields. We have used the right conferred upon us by the rules, which were imposed and referred to by the Conservative party. Well, we are using it to good purpose, and the difference between the decisions of the Speaker and the lack of freedom of speech in the Quebec parliament, and what is happening in this federal parliament, is that here it is not the prime minister who rules on points of order, but the Speaker himself, whose authority is adequate to maintain order and who, in support of his rulings, brings in recognized authorities on parliamentary procedure.

Moreover, if he happens to make a mistake, which is very seldom, he immediately corrects his error. That is why I wonder what would have happened to the Speaker of the legislature of Quebec if, like the Speaker of this house, he had made a decision not approved by the prime minister. What would have happened to the chairman of the legislature if he had called the prime minister of the province to order? That is the difference between the application of the closure rule which is in force in the federal parliament and the prevention of the freedom of speech in the parliament of Quebec.

In closing my remarks, may I say this: You want to discuss this matter, you do not want to waste time, then take the opportunity offered you by a democratic prime minister and show that you are not mere jokers.

(Text):

Mr. Stewart (Winnipeg North): Mr. Chairman, I think the committee appreciated your suggestion that the debate should come back to an area somewhere between the Saskatchewan border and Quebec. Even though there are elections pending in those extremities, perhaps it would be advisable to stress the matter now before us more than has been the case in some instances. I for one am quite happy to bring it back from the somewhat exotic and extraordinary happenings which take place during an election in Quebec to the equally exotic and extraordinary legislation which is before us.

The Prime Minister, during the course of this debate, has occupied his seat in the house for practically the full time. He has been most assiduous in his attention, and one would have thought he might have acquired during these many hours an appreciation of the feeling of the house, and indeed of this committee.

But unfortunately, if we are to judge from the statement he made today, he has lost touch completely with what is the feeling in this committee. He suggested to us that if we really want to discuss this legislation we should meet tonight and on Saturday.

On the face of it that was an offer which was perhaps reasonable. But what was the reason for it? The government had decided that this legislation had to go through by June 7. Why June 7 was chosen I do not know, but June 7, as far as the government is concerned now, is merely a date which affects its prestige and its pride. I am quite sure that were this legislation not passed until the 8th, 9th, 10th or 15th of June it would not affect the future of Trans-Canada Pipe Lines one iota.

We on this side might have listened to the Prime Minister when he suggested that we meet tonight and on Saturday, were it not for the unhappy fact that he bungled his opportunity. Behind his offer he had a threat. In one instance he asks us to bail his government out of the mistakes and bungling they have committed, and then he threatens us with closure if we do not assist them.

We are not prepared to negotiate with a club hanging over our heads, because we are not the sort of docile group which the Prime Minister has been in the habit of leading. We are not prepared to yield to threats. What my leader said today holds good. If we can stop this legislation in any way whatsoever within the rules of the house we intend to do so, and every time an error such as was made by the Prime Minister today is perpetrated again it will be of further assistance to us.

When I last spoke in this debate I dealt with other errors. I dealt not only with errors but with misstatements of fact, with broken promises and, indeed, with the lies of those who had been the sponsors of this pipe line and who made these misstatements and these lies to a committee of this house and to the board of transport commissioners. At the conclusion of my talk I was dealing with the financial situation of Trans-Canada Pipe Lines, and that is what I want to deal with now.

Before I go further, let me point out that there is not too much validity in the objections of the government to our statements that there is a subsidy involved in this. There is no subsidy in the loan to Trans-Canada Pipe Lines, but there is a partial subsidy to this foreign-owned corporation. We realize that the creature of this government, the industrial development bank, lends money to Canadian industrialists only at 6 per cent, yet the government are prepared to lend money to Trans-Canada Pipe Lines at 3½ per cent in one area and 5 per cent in another. It has been remarked on other occasions in this house that they are prepared to charge 5½ per cent to anybody who wants to build a home under the National Housing Act, but this company is being given money at 3½ per cent or 5 per cent. Were Trans-Canada to borrow money on the market it could not possibly do so at these rates. The differential, therefore, is the amount of subsidy.

There have been several financial statements presented, some to the board of transport commissioners, and those which I have in my hand to the minister last year. One of the documents is Trans-Canada Pipe Lines Limited's preliminary financial report dated September 22, 1955, which was produced as

an order for return. I want to comment on certain aspects of this proposed company.

First of all let me deal with the proposed capitalization. The total is $376 million, made up of first mortgage and other bonds of some $282 million, subordinated debentures of $47 million and common stock of $47 million. The financing of this corporation is following along completely parallel lines the financing of similar corporations in the United States. The reason for that is very simple. The smaller the amount of equity capital, the greater the profits which can be distributed to the holders of that equity capital. These gas pipe lines in the United States have been notoriously successful financially. Large bond issues have been floated, the bonds have been paid off and those who held the equity stock, the common stock, the risk capital—call it what you will—have made really fantastic profits out of their venture.

There is a rather interesting aspect to this business of common stock. As I have said, it is going to be $47 million, or precisely 12½ per cent of what this company calls its proposed capitalization. This is made up of 750,000 shares at $8 a share to the founders. That is a total of $6 million. There are 4,208,800 shares at $10 to the public, but at only $9 to the company, which represents $37,879,200. Then we have a third type of share, and rather an interesting one. The company proposes to float what it calls subordinated debentures, and these debentures are going to cost those who can buy them $53.32. The debentures will cost $50, and attached to each debenture there will be a share of common stock in this company, which will be sold at $3.32. I am sure that there are not many Canadians who will be able to buy subordinated debentures with the privilege of buying shares at $3.32.

Now let us find out from the estimates given by the company just what sort of financial return is going to accrue to those who will invest their money in Trans-Canada Pipe Lines. At the back of this document there is a series of exhibits or schedules, and they are worth some examination. The first schedule I want to examine is that which projects income on the basis of sales of 183 billion cubic feet a year, which amounts to approximately 500 million cubic feet a day. We know that as of now Trans-Canada Pipe Lines has contracts for 340 million cubic feet per day: 200 million cubic feet south of the border and, on the minister's word which I accept, 140 million cubic feet already in Canada. If the need for gas in eastern Canada is as great as it is said to be, and I believe it to be so, then within a very few years, perhaps a matter of months, this discrepancy between 140 million cubic feet and the 300 million cubic feet which would be necessary to bring the total flow up to 500 million cubic feet a day will disappear. Within a matter of a year or so, I submit, this company will be carrying 500 million cubic feet a day, which is the equivalent of 183 billion cubic feet a year.

On that basis we have a projected financial statement. In 1960, on the basis of 183 billion cubic feet, the company expects to pay to the ordinary shareholders who invested $10 each, 5 per cent per annum, and to the founder shareholders 6 plus something per cent per annum, and to the preferred shareholders who bought their shares at $3.32 about 15 per cent per annum.

One would think that for a public utility that was an adequate and fair return. There is nothing at all wrong with this projection from the point of view of the safety of the whole proposition. After all, Trans-Canada will be a monopoly, and if it goes through it is going to be extraordinarily profitable—but even much more profitable than this projection would suggest, because there is still another projection, this time on the basis of 235 billion cubic feet a year. That would mean that approximately some 650 million cubic feet per day would be flowing through the pipe. We will have a pipe line in western Canada which can carry at least 720 million cubic feet.

Two hundred million cubic feet will disappear at Emerson. The other five hundred million will be used to service Canada. It might well be within the bounds of possibility, if the need is as great as we are told it is, that the sales of this company will be close to 235 billion cubic feet within a very short number of years. But in that case what happens to the profit and loss situation of this corporation on the company's own projection of income?

By 1962 they anticipate that the government will have been paid back and that after all depreciation has been charged, after all bond interest has been paid and after income tax has been paid, the sum of almost $10 million will be available to those who have invested their money in equity capital in this company. Those who were responsible for this projection suggest that the dividends in these years would be in the neighbourhood of 15 per cent to the person who paid $10 a share; almost 20 per cent to the founders; and to those inordinately fortunate people who bought the shares at $3.32 the dividend would be equivalent to 45 per cent.

Are we entitled to think those figures are correct? On the say-so of the Minister of Finance the other night I think we can accept them, because the minister was very optimis-

tic about the future of this company. As reported at page 4141 of *Hansard* he said in part:

> Bless your soul, if this project gets going we will have enough money for all the things you have asked for.

He was dealing with the amount of revenue which the government would derive from taxation. When this undoubted exaggeration was checked up he said this:

> I shall enter my little caveat to say I was quite right; literally, we would have enough money for all the projects . . .

He was referring to all the projects which he had in mind at that particular time. Therefore the Minister of Finance thinks this is going to be an extraordinarily profitable operation. The only people who do not think it is going to be extraordinarily profitable are those who are behind it; those who have the capacity to put up the money but who refuse to do it; those who come to this house and to this government and, as indigent millionaires, ask the taxpayers of Canada to lend money to Trans-Canada which is going to be in a position to pay an average of almost 20 per cent on its share capital.

What is the catch in it? Where is the catch? One would think there must be something very wrong. There is not much catch. The answer is that these foreign corporations are playing Canadians for suckers. They are taking the government for a ride, and the government is trying to pass that ride on to the Canadian people.

Let us consider the assets of just two of the companies which are financially interested in Trans-Canada Pipe Lines. They own almost one-third of the shares in that corporation. I am not dealing now with actual Canadian creatures. I am dealing with the parent corporations in the United States, one of the parent corporations being Gulf Oil and the other being Continental. The total assets of these two companies combined, according to the last figures I have—and they are two years out of date—are almost $2½ billion. The earned surplus of Gulf Oil two years ago was $658 million alone. The earned surplus of Continental was $204 million. Here we have a total earned surplus of two of the companies which own one-third of the shares in Trans-Canada of $862 million. Yet they cannot find $80 million with which to finance even the western leg of this pipe line.

What about their cash and securities? Gulf Oil had $379 million in cash and securities; Continental had $70 million in cash and securities. That is a total of $449 million which could be almost instantaneously translated into cash. Yet they cannot find $80 million with which to finance the western leg of this company in which they have a 33 per cent interest. There is something more than rotten in the state of Denmark.

We are told that Canadians cannot finance this venture. I doubt whether Canadians have been given much opportunity to finance this venture, but willy-nilly Canadians are going to finance it; because the government have said, "We are prepared to put up the capital and we are prepared to subsidize this company from the point of view of interest".

Many arguments have been raised by the other side about national ownership, and the position of the government is legitimate from their point of view. We regard ours to be equally legitimate from our point of view. But we have been told that it will be difficult to secure permits for the export of this gas from Alberta.

Let us consider the situation. We have seen the Social Credit party weeping tears about the trillions of cubic feet of gas which are in Alberta just waiting to be sold. From what Mr. Manning has said and from what the hon. member for Peace River has said are we to infer that Alberta is not willing to sell gas to a nationally-owned pipe line? Is that the position that Social Crediters take? If it is, obviously Canadians may be Social Crediters but Social Crediters are not always Canadians. It would be quite close to treachery not only with respect to the interests of the province but with respect to those of the people of Canada as a whole to deny the sale of gas to a pipe line merely because it was publicly-owned. It would be an act so infamous that I do not think the premier of Alberta would dare to do it. Yet we have the hon. member for Peace River implying that such may be the case here.

He has done some odd things in recent weeks. I remember not long ago he told everybody who would listen to him that there was no connection whatsoever between his party and the union des electeurs in Quebec. Yet when the union des electeurs enters into an alliance with the Liberal party the hon. member for Peace River reads the riot act and condemns them for wrongful doing. What difference is there between what the union des electeurs is doing in Quebec and what the "socred" sycophants are doing in their support of the government here? They are bedded down with the Liberals in Ottawa just as they are bedded down in Quebec.

Mr. Hahn: Did you quote the hon. member for Peace River?

Mr. Stewart (Winnipeg North): I have quoted the hon. member for Peace River. I told you what he said.

Mr. Hahn: What page?

Northern Ontario Pipe Line Corporation

Mr. Stewart (Winnipeg North): There is another aspect of this matter. We were told last year that Gulf Oil—this United States owned, this United States dominated company, would not sell gas to a government-owned pipe line. I should like to know just how much truth there is in this statement. I should like to know in what way the government has genuflected toward this corporation and accepted their word for it. If the government wanted to go ahead and get the gas there is no question in my mind that they would be able to do so, despite the denial of these Americans of the sale of gas to a government-owned pipe line.

We have been told it would be difficult to get a permit from the board of transport commissioners, and that sort of argument is really reducing absurdity to the nth degree. The board of transport commissioners is another creature of this government. All that need be done would be for the Minister of Trade and Commerce to send one of his men down to the chairman and tell him to call a meeting of the board and approve the permit, and it would be passed.

There is another argument which has been advanced. We have been told that only Trans-Canada has the pipe. It is true that Trans-Canada has an option on the pipe. We are told that no other company can get this peculiar size, 34-inch pipe. But if Trans-Canada has an option on that pipe, I suggest that if the government are interested in public ownership—and unfortunately they are not interested—all they have to do is take over Trans-Canada Pipe Lines in the same way Eldorado was taken over during the war; buy out the shareholders, and then we have the pipe. The pipe is available to build that system under public ownership. There can be no question about that. The pipe may not be available to private entrepreneurs who wish to build their own pipe line, but to say the pipe is not available as an argument against public ownership is merely arguing against the facts of the situation.

We were told by the minister that a pipe line which was nationally owned would be difficult to operate, that there would be conflict between the producers and the consumers. Yet if the government were to take over Trans-Canada Pipe Lines it would take over its present contracts. This company has contracts with producers starting at 14 cents per thousand cubic feet and working up gradually by a quarter of a cent every few years. The contracts are already there. There might be some difficulty with contracts at the other end, with the distributors, but we also know there are already about 140 million cubic feet per day in contracts. We also know that demand in this province of Ontario is very great. I cannot see any great difficulty in finding other distributors who would be only too happy to sell that gas and pay for it. There would be no question about the price, because the price to the producer has already been settled. The only duty would be to see that the price to the consumer was not too inflated so that the majority of people would get the benefit of the gas. This could be done to some extent, in fact appreciably, through government ownership.

Then there is another aspect which has not been brought up in this house, and that is the inflationary nature of this legislation. We are told that we are in an inflationary period. The government has become somewhat alarmed about it and so, through the Bank of Canada, interest rates have been increased. The chartered banks' reserves have been cut down so that they, in turn, have reduced their loans to even the most legitimate borrowers on the Canadian scene. I have had case after case of house builders coming to me and saying, "I cannot get a loan from the bank, and I am finding it even more difficult to get loans from insurance companies to finance the housing which is needed in this country."

There is an inflationary spiral it is true, possibly to some extent under control. Does one imagine for a moment, if we accept the word of the Minister of Finance that the creation of this pipe line will lead to a capital expenditure of a billion dollars, that this will not add appreciably to the inflationary spiral in this country? Yet we have newspapers like the Winnipeg *Free Press*, whose economics are still somewhere in the dark ages, arguing that it may be inflationary in eastern Canada but it could not possibly be inflationary in the west. It is a fatuous argument to use in a closed economy. As a matter of fact, the income of farmers in the west may be much lower than it has been in other years, but the cost of those things which they have to buy is still as inflated as ever.

There have been arguments put up in favour of this proposition and we have answered them. We are prepared to continue to answer them, but we would like to hear some of the arguments against what we have to say. Instead of that we are faced with this legislation which is completely riddled with anomalies and that, of course, is the end result of a government which is confounded by its own confusion.

Mr. Hahn: Mr. Chairman, in taking part in this debate I may say I was somewhat surprised, not at the attitude taken by the leader of the official opposition or the C.C.F. in so flatly turning down the Prime Minister's proposal, but that the Prime Minister had not seen the depths to which these great Canadians on this side of the house would sink

in order to deliberately do away with an enterprise that could be to the general advantage of Canada.

In so far as this matter of completely sabotaging the pipe line is concerned, as was proposed by the leader of the C.C.F., I say that he definitely was opposed to any plan which would make it possible to bring the parties together as suggested by the hon. member for Vancouver-Kingsway. I suppose this was understandable because the C.C.F. are such strong adherents to the socialistic principle of nationalization of everything they can get their hands on.

The hon. member for Winnipeg North who just spoke attributed, in typical C.C.F. style, certain statements to Premier Manning. They were to the effect that Premier Manning would not make gas available to the people of this country if the pipe line were nationalized. I know of no instance in which the premier indicated such an attitude. When I interjected and asked the hon. member to let us have the reference he failed, quite deliberately again to tell us exactly what the reference was, but in typical C.C.F. fashion he did make statements and reiterated them time and again in regular Hitlerian fashion, hoping the people of this country would believe him and the C.C.F. It is the typical smear method.

Now, Mr. Chairman, in reference to the alliance between the Social Credit group in Quebec or the union of electors, with whom we do not associate ourselves, and the Liberals, there is a great deal of difference between two political parties aligning themselves for election purposes and a political party or group supporting a bill in which they have full confidence and which they feel the people of the country actually want.

I have frequently heard the phrase used in this house that an argument has degenerated into a debate. I believe I am right in saying that this particular debate has gone from the sublime to the ridiculous. The Minister of Trade and Commerce, the Minister of Finance, the Prime Minister and other cabinet ministers as well have indicated that there is urgency in passing this legislation if the proposal is to become a reality. These realists in the opposition who oppose the bill have indicated they do not believe there is any urgency. They can see no value to it.

On the other hand, provincially speaking, the premier of Ontario, the premier of Manitoba and the premier of Alberta have indicated that they feel there is urgency in having this legislation passed. They feel that natural gas would be a great asset to every province through which that line would be built. Until today apparently the premier of Saskatchewan has been silent. I noticed with particular interest that one of the most vocal C.C.F. members, who from time to time has suggested to the members that this thing was going to be filibustered to the greatest extent possible and that we had seen nothing in so far as the defence production bill was concerned, has failed to say anything in this debate. I am referring to the hon. member for Assiniboia. I am wondering now whether the fact that he happens to represent the same area federally that the premier of Saskatchewan represents provincially is an ominous factor in that respect. Possibly the premier has suggested that they want the pipe line but you boys go ahead and fight it on a public ownership basis; the big majority which the Liberals have will put it through anyhow.

The hon. members for Spadina and Peel indicated in their speeches that they know nothing about natural gas. Some of the things they said certainly indicated they have never used it, have never seen how it was run in production and have very little knowledge of what it can do. While I can appreciate that some of the questions were being asked by reason of the fact this is a new substance so far as they are concerned, I could not help but feel that they were talking through a gas line most of the time. They were groping in the dark so far as that matter was concerned.

A suggestion has been made from time to time that this should be a Canadian investment. The Conservatives particularly, and the C.C.F., have said that Canada should build this line. They have said, "We want it for Canadians and Canadians alone." No party in this house is more desirous of seeing every Canadian have the privilege of using natural gas than the group in this corner, for many of us have experienced in our time the joys of having natural gas in our area. I am looking forward to the day when the Westcoast Transmission line will be built through my own district so that I too will enjoy that privilege once again.

I am going to refer to the speech of the hon. member for Spadina of yesterday, which is to be found at pages 4448 and 4449 of *Hansard*. He had this to say with respect to investments:

> I have been in the mortgage business for a long time, and I can tell you that the deal before us right now is one with respect to which I can easily understand why these people do not want to put their money in it. No one knows anything at all, and yet the government want us, the people of Canada, to put money into a thing like this. I would not touch it with a 10 foot pole.

Now, Mr. Chairman, here we have an honourable Canadian who says he would not

touch this thing with a 10-foot pole. On the one hand he clamours and clamours for Canadians to invest, or to have the privilege of investing, in a pipe line in Canada. On the other hand he says we have not the money in this country for it. Let us have investment. That is the picture. Let us invest. What for? For political purposes only.

That is all we have had from this side of the house in opposition to this bill. The great Conservative party, or the once great Conservative party—probably I should modify it—stands up in this house day after day and for political purposes states that it is for Canadians. They say, "We want this for Canadians and for Canadians only." They have the chance to invest up to 51 per cent, and it has been said up to 60 per cent, in this line; yet those who have the money are not willing to come forward and invest a 10-cent piece in it. They, the great emancipators of the Canadian way of life, the great parliamentarians, deliberately went out of their way time and time again to try to get kicked out of the house for defying the chairman.

There is no man who enjoys freedom and who wishes for it more than I do, but at the same time I feel there is a time and a place for everything. At the beginning of the discussion of this bill we opposed closure, and we would do it again under similar circumstances. Along with the opposition we would oppose the invoking of closure if they had continued to devote their time to discussing this particular bill. Oh, no; we spent two full days discussing nothing but procedure.

I am satisfied that it is up to the opposition to protect our rights. I am also satisfied that I must make up my mind on one of two things. We want this bill for the people of the country. Possibly we can show our good faith by not supporting closure, as we did at the beginning. Perhaps we should give the government the opportunity to bring in this legislation and discusss the merits of the bill, and then go back to the people and let them know what an arrogant government we have and that they should reduce the majority or eliminate it altogether. Certainly we should not use the method that has been used here day after day, particularly after the Prime Minister has been good enough to suggest that those of us who are prepared to support the bill are willing to sit here Wednesday night and all day Saturday.

It will be noticed that none of the Social Crediters spoke yesterday. Why? Because we wanted to give the opposition a chance to talk about the bill. What did they do? They talked about closure and procedure for most of the time. In so far as we are concerned the matter now rests on this base. The opposition do not want the natural gas line built. We have heard time and time again foolish utterances from children on this side who say, "Oh, this pipe-line bill could wait a couple of years; it does not mean very much to the people of Canada."

Well, let me read to them—perhaps they are not listening and will not be able to understand if one does read—the report of the royal commission on the metropolitan development of Calgary and Edmonton. Their findings are found in chapter 10 at pages 14 and 15. I do not intend to devote the whole of my time to reading this report, but I think it is important that they understand that this report is based on the development of the oil industry in the province of Alberta. It tells us something about what its effect might be upon the rest of the people of this country. Section 7 says in part, in dealing with resource development and urban growth:

> What is forgotten however, is that every great development of natural resources causes the cities and towns to grow much more than the farming, forest, and mining frontiers which are being developed.

There we have the matter of indirect growth. I am satisfied that those areas in which farm implements are manufactured realize there would not be any farm implement industry if there were no agricultural west. Reading on we find that the same thing is going to apply and does apply in the oil industry. I continue:

> In the post-war oil and construction boom in Alberta too, the bulk of the population increase so generated has been elsewhere, especially in the United States and eastern Canada.

The province of Alberta has not enjoyed the great increase in population, although it has enjoyed some of it. Its effect has been elsewhere, especially in the United States and in eastern Canada. Do not let anyone here tell us that the oil industry does not affect the rest of Canada, and particularly the eastern part of Canada.

In the last paragraph on page 15 we read this:

> Again, out of the oil investment in 1952 in the province, of some $360 million (excluding payments to the government) only some $44 million appears to have been spent directly within the province.

Where do you suppose the rest of it was spent, in Timbuktu or in some place like that? It was spent right here in the eastern part of Canada and in the United States. Let us not be so childish in our attitude toward this thing. The hon. member for Vancouver-Kingsway suggested that they were challenged, and I am satisfied he did so in good faith. He came back to this house and tried

to talk us into some sense of sane reasonableness instead of childish bickering over procedure. At this time we have a job to do in this country, and I am saying it should be done and it must be done now, not 40 years from now after the atomic age has come into effect, at a time when Alberta sits, as it does, on one-seventh of the world's coal and still has a 50-year supply of gas in the ground.

I say the opposition are holding up this bill for political purposes. From time to time they have read political extracts from great newspapers across this country. I find that a newspaper editorial is the opinion of one man only, and I am going to read the opinion of another editor. It is true he comes from the province of Alberta; he publishes his newspaper there. Fortunately—I almost said "unfortunately"—both in British Columbia and in Alberta we have been blessed with not having the newspapermen support the Social Credit party, so no one can accuse me of reading a Social Credit version of this thing. This comes from the Camrose *Canadian*, and is dated May 23, 1956. It deals specifically with this problem. The editor of a small paper said this. He is just a small home-town man and knows the views of every householder in his area. The editorial reads in part:

> We do not profess to know the whole story, but we do know that if Alberta gas is to be transported to Saskatchewan, Manitoba, Ontario and Quebec without the tragic delay of some three or four years, the federal government must come to the rescue. While nominally conservative in our political thinking, we cannot subscribe to opposition leader Drew's opposition to the legislation.

Mr. Ellis: You took time to find it.

Mr. Hahn: No, I did not. It was sent to me. The hon. member quoted the Regina *Leader-Post* the other night, and read an editorial about Saskatchewan socialism and its gas policy and compared the price of 90 cents paid in Rosetown-Biggar for natural gas. Ask the people of Maple Creek about their natural gas situation.

You, the hon. member for Regina City, do not have to tell me anything about Saskatchewan. I lived there for a few years, and I know the gas situation there as well as in Alberta, and that is a great deal more than I can say for you because you are going to enjoy it for the first time while I enjoyed it for many years past.

I read again:

> While nominally conservative in our political thinking, we cannot subscribe to opposition leader Drew's opposition to the legislation. We think it is well for the opposition to stand out for all the facts and figures to be laid upon the table for all parties to investigate,—

That is the reason we are in committee. I think that is the reason the Prime Minister today suggested we should have four days left as a committee to discuss this bill, but that has been turned down.

An hon. Member: There is no chance to discuss the first three clauses.

Mr. Hahn: No, not so long as we continue in this ridiculous fashion and will not permit the whips of the parties to meet and come to some determinate action so we can get in and ask questions about this thing, instead of continuing in this foolish fashion.

Mr. Ellis: You voted to postpone the clauses.

Mr. Hahn: Not at all. I continue:

> —but to obstruct the progress of the legislation for apparently political reasons alone, we cannot endorse at all. If it were practical at the moment, we think the C.C.F. approach is preferable to that of the Conservatives.

Here is a Conservative who feels that the C.C.F. approach would be more practical than is the present approach of the Conservatives. I can understand the editor's feeling in that respect, as I am sure any truly honest Conservative in this house today can. What is their policy? They endorse the McMahon proposal which will take 400 million cubic feet of gas into the United States instead of 200 million.

I am told that the hon. member for Broadway—or rather Broadview, although possibly he comes from Broadway—says that his party endorses the McMahon proposal. The hon. member for Prince Albert early in the debate said they wanted this gas for Canadians but their endorsation is to send 400 million cubic feet of gas to the United States and to retain 100 million cubic feet for Canadians. That was the McMahon proposal, as I understood it.

Continuing with this editorial:

> The main thing to be considered is to get a Canadian fuel to the doors of millions of Canadian consumers. Alberta has the natural gas in sufficient quantities to last for fifty to sixty years, even if no further fields were tapped than are now known. By that time scientists will have solved the problem of converting Alberta's abundance of coal into gases that can be transported by pipe line.

Mr. MacDougall: Attaboy.

Mr. Hahn: It has been suggested from time to time, Mr. Chairman, that the matter of getting the pipe line built is not important and that we can wait for two or three years. Why not wait for 40 years? We did with the shipment of Albert coal out here, with the result that they still have it in that province.

Mr. Ellis: You waited five years for Trans-Canada Pipe Lines.

Mr. Murphy (Westmorland): Down, Wimpy.

Mr. MacDougall: Quiet, Wimpy.

Mr. Hahn: We have waited for a beginning on this line, I am not denying that. I am pleased that you brought it up. I believe the government is largely responsible for that delay and I would support you in that, but I will not support you in the tactics you are using today.

Mr. Knowles: Is the hon. member addressing the Chair?

Mr. Hahn: I beg your pardon, sir?

Mr. Knowles: Is the hon. member addressing the Chair? Is the Chair responsible?

An hon. Member: Enough of your childish technicalities, Stanley.

Mr. Hahn: Pardon me, Mr. Chairman. I have been brought to order again by the hon. member for Winnipeg North Centre, who no doubt looks forward to sitting in your place some day. It has now been pointed out to me that the hon. member has been appointed as assistant to the chairman. I am told that this is his new vocation.

Now, Mr. Chairman, as I said earlier I am interested in finding out exactly what the Conservatives do support. Do they support the McMahon proposal? It is a very simple matter to come into this house and be critical but let us have something else to offer in place of it.

I hear that the Conservatives want natural gas in this area but apparently they do not want it very quickly. Here again I wonder quite seriously if we are not beginning to feel the effect of the United States coal lobby and the United States gas lobby in this house in delaying this bill at this time. It is quite possible in view of the particular methods that are being used, Mr. Chairman. The United States coal and gas industry is willing and prepared, as I understand it is doing in the United States today, to stop natural gas from this country going into the United States. They want this very lucrative market that we have in this area as well. They want to keep it for their own. Certainly the expenditure of a few more millions would not stop them, I would say.

Coming back to our Tory friends, I would like to pose this question: Where will another pipe-line company get the necessary pipe? Hon. members of that group have tried in their own way to answer that question. Another question I would like to ask is: Where will this man McMahon, or anyone else, get gas? You have to have contracts for these things. Surely it is for sale and there is no denying that, and I would not doubt that McMahon or anyone else who is prepared to build the line could eventually obtain contracts, but it takes time and you just do not draw up contracts overnight. As far as the people in the province of Alberta are concerned, time is of major importance. This is also important to the rest of Canada, because this is an urgent problem today.

Has any other company purchased a right of way to build the gas pipe line? Where have these honoured gentlemen been for the past five years, three years or even two years? How is it that they come in at the last moment each of them saying, "We have a new plan. This is the thing. Take this. This will keep everything in Canada". No, Mr. Chairman, I cannot go along with that kind of reasoning.

An hon. Member: Trans-Canada was not asking for a handout two or three years ago.

Mr. Hahn: As I began to say earlier, this is not a question of natural gas alone. This important project also involves by-products, propane, butane and sulphur. I feel that my own province will benefit very directly from the fact that sufficient sulphur will come from this particular project to supply the whole of this country with all its sulphur needs. We speak about saving Canada for Canadians. Here we have an industry which will be built up. We will have rubber plants—

An hon. Member: And rubber money.

Mr. Hahn: I regret that I did not hear what the hon. member had to say. With the passing of the present bill petrochemical plants will be set up on the prairies and in Ontario and there will be an increase in population. All these things should be taken into consideration when we are considering postponing the construction of this line for two years. By building this line today we are going to create in Canada at least 20 new industries, and our economy requires these secondary industries.

I forget the exact figure used by the minister the other day in discussing our imports. I believe four million tons of coal per year was the figure used. A bit of computation will show that that works out to about 109,500 million cubic feet of gas on the basis of b.t.u's. One ton of coal is equal to 27,375 cubic feet of gas, and if the price of coal is $28 per ton in this province a bit of simple arithmetic will show that the consumer could be charged $1 per thousand cubic feet for natural gas and still be saving money. That in itself is an important factor. The price quoted is much below that and will be much below that.

In closing may I suggest that if hon. members will just take time to think this thing out reasonably we will all be cooking with gas.

Mr. Nesbitt: Mr. Chairman, the first thing I should like to bring to your attention today

is the rather unusual and desperate tactics which have been used by our friends of the Social Credit party. Apparently they have been selected by the government to be the hatchet men for the Liberal party. Some of the tactics used and some of the expressions and terms we have heard from them directed toward members of the other opposition parties make Senator McCarthy seem like a babe in arms. This business of guilt by association, which the hon. member for Macleod dealt with yesterday, is based on the simple logic that if Mr. Bulganin and Mr. Khrushchev like bacon and eggs for breakfast, then if you like bacon and eggs for breakfast you are a communist. That is exactly the logic used by the hon. member for Macleod.

Apparently some hon. members of the Social Credit party, particularly the last speaker, the hon. member for New Westminster, seem to think that parliamentary procedure is of no importance, that the important thing is getting things done. That indicates the respect for parliamentary institutions which the members of that party have. It almost reminds me of some of the neo-fascist parties that spring up in other countries from time to time.

The discussion of Bill No. 298 has two aspects. First of all there are the merits of the bill, and second there are the shocking methods used by the government to force this bill through parliament, both this house and from what we heard this morning the other place as well. We all want a pipe line, let no one misunderstand that, but we do not want it under the present conditions. We do not want this pipe line built with the money the Canadian people are being asked to put up to enable United States financiers to make enormous profits. If they want to put up their own money to build it, as they said they would in the first place, let them do it. They have broken their promises and the government is now trying to bail them out.

Bill No. 298 is being rushed through on the pretence that there is great haste required to build this line, but the end certainly does not justify the means being used in this case, particularly when that need for haste as an excuse is supported only by Social Credit members for vague and invalid reasons.

With regard to the bill itself, I do not intend to repeat some of the things that have been said by hon. members. This party and the C.C.F. party have been accused of repetition and I am not going to make any repetitious remarks. One of the principal shareholders in Trans-Canada Pipe Lines has been aptly described by a United States magazine as a "wheeler-dealer" from Texas. Mr. Clint Murchison's connections with Trans-Canada Pipe Lines have been well described. The various aspects of his connections have been well described by other hon. members and I do not intend to repeat them.

However, I think it might be of interest to hon. members to find out just what happens when Mr. Murchison gets control of a public utility. I have before me a copy of the Indianapolis *News* of April 6, 1956. Apparently Mr. Murchison controls the Indianapolis Water Company, a public untility which presumably supplies water to the citizens of Indianapolis. I quote from this newspaper as follows:

> The Murchisons of Dallas, Texas, have sold 25 per cent of their common stock holdings in the Indianapolis Water Company at a profit which may be close to $1 million.
>
> Sale was made "about April 1", according to James H. Clark, Dallas, a major stockholder and an executive assistant to the Murchisons.
>
> Clark refused to disclose the sale price, but the stock has been quoted at about $39 a share. John D. Murchison and Clint Murchison Jr., who made the sale, bought the stock in 1952 when it was quoted at $18.
>
> The shares sold, which went to unidentified Indianapolis investors, were "about 25 per cent of the stock" held by the two Murchisons, Clark said.

Then the article goes on further to deal with the control of this utility by saying:

> Clark told the *News*, in response to a question whether the Murchisons still owned "working control" of the company:
>
> "That's a fair statement (that the Murchisons do have working control). When it comes to the orthodox things, we do have working control. But if we tried to do something silly, we wouldn't have."

I have been told that the reason the shares of this water company in Indianapolis rose in value was that the rates were increased when Mr. Murchison got control, which forced up the price of the stock because it then became a more lucrative investment. I know perfectly well that hon. members opposite will say that the board of transport commissioners would control the rates charged by Trans-Canada Pipe Lines. We have heard that before and it is quite true; but the fact is that this government has done everything it could to assist Trans-Canada Pipe Lines during these last few years. I do not think there is much doubt that if some time in the future Trans-Canada Pipe Lines were operating this pipe line and wanted the rates increased and could advance any kind of argument, the board of transport commissioners would undoubtedly permit the rates to be raised.

Many methods have been used by this government to force this legislation through parliament. Since this debate started we have had various types of closure applied. The first closure was applied before the discussion had

even started, which was a most unique and significant happening in Canadian parliamentary history. We are now in the committee stage and are faced with the fact that clauses 1, 2 and 3 of the bill cannot be discussed. As hon. members know, if the first clause of a bill is foreclosed, to coin a phrase which has been used several times, it simply means that the questions you would like to ask in respect to financing cannot be asked.

Now we are getting around to a different type of closure which was proposed today by the Prime Minister. It really is not a different type of closure; it is the same old thing, but it has a rather shocking corollary.

I wonder if anyone really believes that the date of June 7 set out in the agreement between the government and Trans-Canada Pipe Lines was not put in at the instigation of the government. As hon. members know, the agreement provides that if the money is not voted by parliament by that date Trans-Canada Pipe Lines is not obligated to finish the job by the end of this year. Does the government really believe this is an excuse for the haste it is harping on at this time? No, not at all. This was merely an excuse by the government to use the device of closure in a new and vicious form so that debate on this bill could be cut down, and so an excuse could be found to prevent the reference of Bill No. 298 to a proper committee where all the devious and mysterious goings-on and activities behind this bill with Trans-Canada Pipe Lines could be brought to light.

Only before such a committee as that would hon. members of this house be able to find out the answers to a great many questions. For instance, we heard the hon. member for Middlesex East, my colleague say that a telegram had been received from a company in Welland saying that by the early part of next year they would be able to make 34-inch pipe, and we heard from the government that nobody could make this pipe except certain companies in the United States and so forth.

That is the kind of thing about which we would like to find out. Very few hon. members, apart from the Minister of Trade and Commerce and the Minister of Public Works and perhaps one or two others, are engineers. We are told that 34-inch pipe is the size of pipe that is necessary. Perhaps it is. I am not saying it is not; but if we could call witnesses before the committee, if this were referred to a committee, we could find out what would be the optimum size. Maybe some other size would be just as good, or it might be better to use two smaller sized pipes. It might be more expensive, and again it might not. There are many questions like this to which we should like to know the answers. Unless the bill were referred to a committee, there is no possible way of finding out.

With all respect to the front bench of the government party—and I know quite well, as I have said, that some of them are engineers—nevertheless hon. members could find out the answers to these things if we were to call experts and get the opinion of other experts. I imagine some of these things are not necessarily facts but are very often matters of opinion.

Certain members on the government side have said that the Minister of Trade and Commerce gets things done, and that is why he should be allowed to go ahead with this. I believe the hon. member for Mount Royal in his speech the other night made that reference, and I know it is the attitude of many other hon. members opposite. It is the attitude of the senior member for Halifax and the hon. member for Waterloo North that the important thing is to get things done. That is their opinion, but it is not the opinion of other hon. members.

This excuse of expediency and efficiency all throughout history has cost the lives of democratic governments. If the only excuse were expediency and efficiency, hon. members would be well advised to set up the type of government they have in Russia and formerly had in nazi Germany. Those governments were certainly efficient and expedient but certain other things, which I think hon. members realize, were lost in the process. Throughout history we have had plenty of examples. I have some of them before me. I am not going to waste my time or the time of other hon. members of the house in quoting lengthy examples from history to show how expediency and efficiency have destroyed democratic governments in the past, but I should like to make one or two references, and I would point to the example of Athens, Rome and Venice, where they had democratic governments, and to the parallel case in England in the time of Oliver Cromwell.

I see there is a little time left before six o'clock, and I should like to refer to the experience of Athens. There is a remarkable parallel in the way Athens originally lost its democracy to the situation of today. I should like to refer to a book by Basil Hammond called "The Political Institutions of the Ancient Greeks." I shall quote briefly

one paragraph concerning the time when Athens was threatened. It reads as follows:

> The part of Alcibiades in the revolution consisted only in giving it a start by raising false expectations of a Persian alliance. His agents went to Athens, and there Pisander, who took the leading part among them, addressing the assembly of the citizens, urged that the only hope of salvation for Athens lay in an alliance with Persia, and declared that that alliance would be made if they would invite Alcibiades to return, abolish their democracy, which was not to the liking of the king of Persia, and set up in its stead an oligarchy which the king could trust. The assembly was grieved at the prospect of losing its democratic constitution, but under the stress of circumstances gave some kind of provisional approval of the proposed change.

That was in ancient Athens. That was the first step they took to lose their democracy. They received a proposition they could not investigate. They were told they had to hurry up to get it through in order to make the alliance, and so they hurried it up without investigating it properly, and that finished off their democratic government.

A little later we had the same situation with the Romans. Again the Romans were compelled time after time to use dictatorial powers of government to expedite matters because it was more efficient. What happened? As all hon. members know, the senate of the people of Rome became so used to the undemocratic processes that it was an easy mark eventually for the dictator, Julius Caesar, to take over.

Hon. members may think such a thing cannot happen here. We may wear different clothes and we may have automobiles and television; the physical things such as that may change, but human nature does not change one iota from one generation to the next. Once the thin edge of the wedge—and in this case it is a not so thin edge of the wedge—is inserted, it is the beginning of the destruction of democratic processes. When expediency and efficiency are the arguments used to destroy the rules of parliament, it is the first long step toward the destruction of democracy itself.

It is six o'clock. May I move the adjournment of the debate?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this tomorrow, sir.

PRIVILEGE

MR. HANNA—REFERENCE TO REMARKS IN DEBATE THIS DAY

Mr. R. F. L. Hanna (Edmonton-Strathcona): May I rise on a question of personal privilege. Earlier this afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the C.C.F. party, made reference to the unfortunate fact that certain members of this House of Commons have fallen ill in recent days. He followed that up with the accusation that this announcement by him was greeted with laughter from the Liberal benches.

Mr. Fleming: It was, too.

Mr. Hanna: I wish to deny that I laughed at the misfortune of any hon. member who is unfortunately taken ill, nor do I believe that any member on this side of the house did or would laugh.

Mr. Fleming: They did.

Mr. Hanna: My point is that I challenge the hon. member for Rosetown-Biggar to name the people he accused of laughter at this report. If he cannot name them, I suggest that he withdraw that remark and have it stricken from the record.

Mr. M. J. Coldwell (Rosetown-Biggar): I heard the laughter, as everyone else on this side did. I did not pay any particular attention as to the gentlemen, or the men, who were making the noise, but it was largely over in that corner of the house, and I point over there now.

Mr. Claude Richardson (St. Lawrence-St. George): If I may, on a question of privilege I certainly deny any laughter.

Mr. Bell: We are narrowing it down, anyway.

Mr. Speaker: At this moment we should not take the time of the house to try to identify who has or has not at a certain moment of our proceedings been laughing. Has the leader of the house announced the business?

Mr. Harris: I did, sir. I said that this debate would be continued.

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

Question

ANSWER TO QUESTION

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

HEALTH AND WELFARE—SCIENTIFIC RESEARCH

Question No. 449—**Mr. Huffman:**

What has the Department of National Health and Welfare done in the field of scientific research during the past year?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

The scientific research program of the Department of National Health and Welfare for 1955-56 involved a total of $2,500,000. Of this $570,000 was made available for intramural medical research, $205,000 for socio-economic research in health and welfare, $1,620,000 for grants under the national health program in aid of medical research and $105,000 for cancer research sponsored by the national cancer institute of Canada.

INTRAMURAL PROGRAM

The intramural program encompasses those investigations carried on by the various technical and scientific units of the department and in general is aimed at devising new or improved methods of performing the service functions of these units. It refers particularly to detection and assay work, e.g., that associated with the administration of the Food and Drugs Act, and studies of new techniques such as in the control of biological products or the investigation of occupational hazards. Additionally however it may be aimed at gaining new knowledge of public health importance or related to urgent national health problems of a nature not ordinarily undertaken by a single province, university or research institution, concerning which the department may be looked to for leadership and guidance.

Allocations for the intramural research program totalling $570,000 were distributed as follows: civil aviation medicine division $2,500; dental health division $18,000; epidemiology division $31,000; food and drug directorate $112,000; laboratory of hygiene $257,000; nutrition division $35,000; occupational health division $114,200.

Throughout the intramural program there is an almost inseparable relationship of research to service function and this makes it difficult to define precisely the proportion of the cost which can properly be designated as research expenditure. In many instances the research is a by-product of the service function. Highlights of the intramural program will illustrate this relationship.

Civil Aviation Medicine

In civil aviation medicine, for example, the principal study involves the practicability of audiometric screening in so far as hearing requirements of airline transport and commercial pilots are concerned. This is aimed at establishing audiometric records to determine hearing deterioration as a result of flight duties and investigating effects of continued exposure to noise in civil aviation pilots. Additionally presently effective standards in hearing are being evaluated. Information obtained from these studies will be used in formulating new standards to be applied in assessing fitness for civil aviation licences.

Dental Health

In the field of dental health, investigations are centred chiefly around water fluoridation and topical fluoride therapy. Continuing studies on the dental effects of water fluoridation, studies on the effectiveness and safety of fluoride compounds and the simplification of techniques of administration of topically applied preventive agents, as well as the effectiveness of such applications, make up the main lines of investigation in this field.

Epidemiology

In the area of epidemiology, an extension of air pollution studies will involve the observation of the effects of air pollutants on a more sensitive population, i.e., persons with cardiac and respiratory disabilities. Continuing studies in infectious diseases will involve the further evaluation of the poliomyelitis vaccination program, as well as the measurement of the protective effect of B.C.G. vaccination against tuberculosis. In addition epidemiologic studies of accidents are being broadened.

Food and Drugs

In the food and drug directorate research projects are conducted in different sections of the laboratory services with the object of providing modern and exact methods of identifying and assaying food and drug products with the highest degree of precision consistent with economy of time, material and effort. Other projects are carried out to provide the directorate with basic knowledge on the action and effects of various constituents on food and drugs for the protection of public health and the prevention of fraud. Numerous basic disciplines are involved in these studies, including pharmacology, physiology, food and organic chemistry, animal pathology and biometrics. These cover a wide variety of individual investigations including toxic residues in foods and beverages, the assay of various drug products and the stability of therapeutic materials.

Laboratory of Hygiene

Research in the laboratory of hygiene embraces a broad range of subjects in the fields of bacteriology, biologics control, clinical chemistry, biochemistry, virology and the zoonoses. Staphylococcal infections, coliform bacteria and the salmonella organisms receive particular attention in the bacteriology laboratory. Assay techniques and immunization studies are prominent in the biologics control section, while serodiagnosis and the treponema pallidum immobilization test are under intensive consideration in the clinical chemistry laboratory. Tissue culture, which is so important in the production of poliomyelitis vaccine, and the cultivation of various types of tissues through the development of synthetic media are the principal interests of the biochemistry section, while in virus research the development of safety and potency tests for vaccines against poliomyelitis and new methods for producing stable viral antigens for diagnostic laboratory procedures head the list of research projects. The zoonoses section concentrates its attention upon animal, tick and insect borne diseases, particularly with respect to incidence, serological tests and disease vectors.

Nutrition

In the nutrition division research involves the evaluation of nutritional status in Canada, health effects of specified foods, increasing the nutritive value of foods served in quantity and the continuation of the project on Canadian average weights and heights. In the preparation of a table of food values, collection of new data is continued in an effort to keep pace with the appearance of new foods offered to consumers. The consideration of chemical additives to foods becomes of increasing importance as food technology develops new products.

Occupational Health

The research activities of the occupational health division are extremely varied relating chiefly to waste products in industry and injurious and toxic materials which may be encountered. Under the radiation services studies in radioactivity and low level radiochemical research form an important segment of the program with the supervision of radioisotopes and the development of the film monitoring service receiving particular attention. This division also provides a consultant service to federal and provincial agencies on air pollution problems.

Research and Statistics

The research and statistics division carries on a program of analysis and evaluation of basic information on health and welfare matters, with special reference to their social and economic aspects, prepares reports as required and generally acts in an advisory capacity to senior officers of the department.

Research and Statistics

Its work is done in close co-operation with other divisions of the department and close liaison is maintained with organizations in Canada and abroad engaged in work of interest to the department.

The division took an active part in the planning leading to the recent federal-provincial hospital insurance talks and is engaged in planning and carrying out research in such varied fields as health care, rehabilitation of the disabled, disability pensions and child welfare in addition to studies on health and welfare manpower problems, welfare services, income security and the extent of illness in Canada.

In the past the division has taken a prominent part in research leading to the introduction of old age security, old age assistance, disability allowances and the national health program, and in connection with the development of rehabilitation services as well as a variety of other projects with which the department has been concerned.

NATIONAL HEALTH PROGRAM

The extramural research program consists of grants-in-aid of a wide variety of studies in the health field conducted in universities, hospitals and other research institutions from funds provided under the national health program. This began in 1948 with an amount of $100,000 initially in the public health research grant. Each succeeding year this was increased by a like sum up to a maximum of slightly over $500,000 at which level it now stands. Additionally, allocations from other health grants have been made in support of medical research centred generally in the field for which the grant is specifically designated.

During 1955-56 funds devoted to medical research under the national health program grants amounted to almost $1,620,000. The largest single amount was $577,000 under the mental health grant. $505,000 was made available for public health research, $325,000 for research under the general public health grant, $100,000 for tuberculosis control, $70,000 for child and maternal health, and $42,000 under the crippled children's grant.

It is not possible to define clearly individual areas of study because of the general overlapping which occurs and the consequent difficulty in categorizing projects. For example, some studies which may be designated

as primarily biochemical in content may also have a definite relationship to cardiology or to psychiatry.

In broad general categories, however, according to the field of medicine, investigations which could be described as clinical accounted for about 40 per cent of the total funds or some $650,000. In this group those in the fields of cardiology, neurology, geriatrics and internal medicine covered about one-half, while psychiatric and psychological research took up the remainder. Basic studies such as those in biochemistry, pharmacology and therapeutics, pathology and physiology involved more than 23 per cent or $350,000 in allocations and studies in the general field of bacteriology, including virology, B.C.G. and the tubercle bacillus, made up better than 16 per cent of the total or $260,000. Those related to the birth period, infants and children totalled $110,000, while research on administrative aspects, medical economics and epidemiology about equalled that involving the special senses, approximately $50,000.

A re-grouping of these studies according to general fields of interest as related to leading causes of mortality and morbidity, shows that of the total program a little more than one-third of the funds or $548,000 are provided in support of research in mental diseases and related topics with an additional amount of $53,000 being made available for studies in neurology. A total of $184,000 has been allocated for studies in tuberculosis, both clinical and bacteriological, including the preventive aspects with B.C.G. vaccine. Research in diseases of the heart and arteries has been assisted in the amount of $172,000, with an additional $111,000 for the purchase of special equipment for cardiovascular centres in Montreal and Toronto. Virus diseases, including poliomyelitis and influenza studies, received support in the amount of $138,000, research in arthritis and rheumatism —some $94,000, conditions affecting the newborn—$79,000 and obstetrical studies an additional $31,000. In respect to diseases of the eye, a total of $68,000 has been provided for clinical services and research, and $22,000 for similar activities in dentistry. Studies in the field of hypersensitivity have been supported with a total of some $47,000, while investigations in administrative aspects of public health, including nursing and environmental hygiene have been allocated in excess of $40,000.

To indicate more accurately the accomplishments of the reasearch program, it is necessary to examine the individual research studies and to evaluate these in the light of their achievements in the reduction of mortality and in the alleviation of ill-health and disability.

Mental Health Research

With a total of 46 individual projects, mental health research covered such studies as fundamental laboratory investigations of fractions of the blood and other body fluids which might be accountable for mental illness, comprehensive exploration of a variety of clinical problems, related to mental illness, and field surveys of social situations and the investigations of children relating to hereditary and environmental factors involved in the development of mental disorders. Also included were psychological studies involving behaviour patterns, motivation and other related factors. The study and improvement of apparatus used in the diagnosis of mental illness, special drugs and advanced surgical procedures which have demonstrated benefit in therapy have received intensive study.

In the field of neurology, there were a variety of studies dealing with cellular structure, neurophysiology and biochemical activities in the brain. The metabolism of the brain was given particular attention as was the effect of pharmacologically active substances on this vital tissue.

Heart Research

As the leading cause of mortality, accounting for one-third of all deaths, disease affecting the heart and blood vessels received most intensive attention in terms of research expenditures and the provision of special equipment. Two cardiac centres have been now established in Montreal and in Toronto with assistance under the national health program. The institute of cardiology at Maisonneuve hospital in the short period of its existence has already distinguished itself and is achieving wide recognition for its activities in the treatment of cardiac conditions and for its research effort. Under the able direction of Dr. Paul David and with such prominent surgeons and research workers as Dr. E. D. Gagnon and Dr. Arthur M. Vineberg associated with it, rapid strides are being made in experimental heart surgery, dealing particularly with coronary artery disease, valvular defects and follow-up studies in patients having received the benefit of such treatment. Dr. Jacques Genest who directs the clinical research department at the Hotel-Dieu Hospital is conducting a study which offers great promise in the solution of problems associated with high blood pressure, while at McGill University in addition to Dr. Vineberg, Drs. Ronald Christie and D. R. Webster have combined their efforts and interests in the development of a centre for cardiovascular and respiratory research.

Question

At the University of Toronto, a similar research and treatment centre has been formed under the eminent leadership of Dr. W. G. Bigelow and, in collaboration with his associates at the several teaching hospitals in Toronto, with Drs. John D. Keith and W. T. Mustard at the hospital for sick children, Dr. G. W. Manning at the University of Western Ontario and other prominent physicians associated with these institutions and Queen's and Ottawa universities a broad program of investigation is going forward in a variety of fields. More particularly coronary artery disease, valvular disorders, hypertension, rheumatic fever and congenital heart afflictions are receiving intensive consideration. Included also is the investigation of apparatus of a highly specialized nature for use in the diagnosis, evaluation and prognosis of cardiovascular disorders. In all, in the province of Ontario, $100,000 annually of national health grant funds are being provided to be combined with funds raised by the Ontario heart foundation for the advancement of research and scientific investigation in this field.

In addition to the cardiac centres already established, interest is becoming aroused in the extension of similar facilities for treatment, training and research, ultimately to provide a country-wide development of strategically located centres to bring the benefits of these new therapeutic techniques to the Canadian people. By providing these facilities, the development of additional young surgeons in this field will be stimulated and further research advances encouraged which will, in turn, contribute progressively to the improvement of treatment procedures.

On January 16, 1956, the Minister of National Health and Welfare convened a meeting of heart specialists and other authorities in Ottawa to consider the problem of heart disease in Canada and to devise means to deal with it. The conference was called at the behest of the Canadian Heart Association and with the full endorsation of the Canadian Medical Association. It was attended by professional and lay representatives of both heart and medical associations, the college of general practice of Canada, the Quebec heart society, the Ontario heart foundation, the B.C. heart foundation, the national research council and the Canadian life insurance officers association, as well as medical specialists prominent in this field. As a direct outcome of the meeting it was decided to proceed with the establishment of a Canadian heart foundation and a committee of eleven under the chairmanship of Prof. R. F. Farquharson of Toronto was designated to proceed with its establishment, including the granting of a federal charter.

Cancer Research

Cancer research in Canada comes generally under the supervision of the national cancer institute. Financial support is derived from the national health program, the provinces and the Canadian cancer society. In total, in the nine years of its existence, over $900,000 have been provided for cancer research from the cancer control grant, with an equal amount being obtained from provincial sources. Research of a fundamental nature into the still unrevealed secrets of cancer causation and related problems formed the basis of the program, with fellowships being provided to develop and support research workers in this field.

Tuberculosis Research

While rapid and impressive strides have been made in all public health aspects of tuberculosis control, there yet remain many problems to be solved before this disease can be considered conquered. Particular attention was given to preventive measures involving the use of B.C.G. vaccine, research on the pathogenesis of the disease, exploration, of improved techniques for the isolation and culture of tubercle bacilli and the study of methods of treatment with special reference to chemotherapeutic drugs.

Virus Research

Virus research is another field which presents a multitude of challenging problems. Here emphasis was placed on studies in poliomyelitis and influenza. In the former disease, the dramatic advances of the past few years adequately testify to the value of the research effort expended, and it has been possible under the national health program to make contributions in the development and production of poliomyelitis vaccine and to improvement of measures employed for the determination of its safety and effectiveness. Particular reference might be made to the work being carried on by Dr. Andrew J. Rhodes, noted authority in this field, on the antigenic types of virus which are responsible for the occurrence of poliomyelitis in Canada, basic knowledge which is essential in preventive efforts. Both at the Connaught medical research laboratories in Toronto and the institute of microbiology and hygiene in Montreal intensive studies are going forward on the polio virus itself, the improvement of methods for its inactivation and the study of antigenic strains in human beings. A special laboratory diagnostic survey of neurotropic viruses in the Atlantic provinces is being carried on by Dr. C. E. van Rooyen at Dalhousie University.

Question

Arthritis and Rheumatism Research

Arthritis and rheumatism, the leading cause of physical incapacity and time lost from productive effort, received their share of research attention. The studies are of a fundamental nature relating to causation and the metabolic and biochemical changes which occur in the presence of arthritic involvement. In addition however the influence of hormones on the incidence and prevention of arthritis and specific clinical studies on the effects of A.C.T.H. and cortisone in various forms of the disease are the subject of exhaustive study.

Other Research

There was in addition a wide variety of topics each of which received merited attention. These included afflictions involving the eye and vision, studies in the field of dentistry, the investigation of phenomena associated with hypersensitivity, or allergic manifestations, and the alleviation of disorders related to pregnancy and the neonatal period. Administrative studies in the epidemiology of certain diseases, in environmental and occupational health, and in the practice of nursing also made up a group which promises most useful findings. Of particular importance at this time is the survey of general practice in Canada being carried on under the auspices of the college of general practice and the school of hygiene at the University of Toronto with the support of funds under the national health program. The outcome of this and related research should contribute invaluable knowledge in the extension and development of health care programs in Canada.

HOUSE OF COMMONS

Thursday, May 31, 1956

The house met at 2.30 p.m.

STANDING ORDERS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. J. H. Harrison (Meadow Lake) moved that the second report of the standing committee on standing orders, presented to the house on May 28, be concurred in.

BUSINESS OF THE HOUSE

MOTION THAT ORDERS OF THE DAY BE NOW READ

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I move:

That the orders of the day be now read.

Mr. Knowles: Shame!

Mr. Fleming: How many more closures?

Mr. Diefenbaker: You are in an awful hurry to bail out Trans-Canada before it is found out.

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

Some hon. Members: No.

Mr. Speaker: Those who are in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed will please say nay.

Some hon. Members: Nay.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron (High Park)
Campney
Cannon
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thatcher
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Yuill—151.

NAYS

Messrs:

Aitken, Miss
Barnett
Bell
Bennett, Miss

Northern Ontario Pipe Line Corporation

Blair	MacLean
Brooks	McBain
Bryce	McCullough (Moose Mountain)
Cameron (Nanaimo)	McGregor
Casselman	Michener
Castleden	Mitchell (London)
Charlton	Monteith
Churchill	Murphy (Lambton West)
Coldwell	Nesbitt
Diefenbaker	Nicholson
Dinsdale	Nickle
Drew	Nowlan
Dufresne	Pallett
Ellis	Pearkes
Fairclough, Mrs.	Perron
Fleming	Poulin
Fraser (Peterborough)	Rea
Fulton	Robinson (Bruce)
Green	Rowe
Hamilton (Notre Dame de Grace)	Small
Hamilton (York West)	Stanton
Harkness	Starr
Hees	Stewart (Winnipeg North)
Herridge	Tustin
Hodgson	White (Hastings-Frontenac)
Johnson (Kindersley)	White (Middlesex East)
Jones	Zaplitny—61.
Knight	
Knowles	
Lennard	

Mr. Martin: I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted for the motion.

Mr. Speaker: I declare the motion carried.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

The house resumed, from Wednesday, May 30, consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation—Mr. Howe (Port Arthur)—Mr. Applewhaite in the chair.

On clause 4—*Body corporate.*

Mr. St. Laurent (Quebec East): Mr. Chairman, pursuant to the notice given yesterday in accordance with the provisions of standing order 33 I move:

That at this sitting of the committee of the whole house on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill, and any amendments proposed thereto, shall be the first business of this committee and shall not further be postponed.

Some hon. Members: Shame!

Some hon. Members: Hear, hear.

Mr. Rowe: Why not call it one o'clock tomorrow morning?

Mr. Drew: Dissolve parliament and really face the issue.

Mr. Knowles: Mr. Chairman—

[Mr. Speaker.]

Mr. Fulton: On a point of order, I submit to you, sir, that this motion made by the Prime Minister is not in order and cannot be received or put to the committee. In what I shall have to say I shall be asking hon. members of the committee to consider the position of parliament itself. We have all witnessed scenes here in the past ten days or so about which all of us must be gravely concerned. It is my earnest submission to you, sir, and through you to the committee and through the committee to the house, that the house itself, in connection with the point of order I am about to raise, should give very serious consideration to its position with respect to the procedure we are now being asked to follow and must assess the point of order I raise from the point of view of the interests of parliament itself which, I submit to you, sir, transcend the interests of party or of government and are inherent and essential to the interests of the nation itself.

My point of order is based upon standing order 33, and I shall read standing order 33 because it is necessary to consider the terms of that whole order in order to appreciate just what the Prime Minister is asking us to do and to what extent it is out of order and a contravention of our rules by which the government is bound just as much as any member or other party in the house.

Standing order 33 reads as follows:

Immediately before the order of the day for resuming an adjourned debate is called, or if the house be in committee of the whole, or of supply, or of ways and means, any minister of the Crown who, standing in his place, shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause or clauses, section or sections, preamble or preambles, title or titles, shall be the first business of the committee, and shall not further be postponed;

Now, sir, I have not read the whole of the standing order. I have read the part of it which is applicable to the point of order I intend to raise. I wish to emphasize to you and to the committee the operative words. Since we are in committee of the whole considering a bill of seven clauses, of which we have only had three called and immediately postponed without consideration and then embarked upon the consideration of the fourth clause leaving three clauses and the title not yet having been called, I wish in that context to emphasize the operative words that the minister moves that further consideration of any clause or clauses, title or titles shall be the first business of the committee and shall not be further postponed.

It is of course impossible, in my submission, to argue that you can divorce any one of those words from the others because the rule must be looked at as a whole. Therefore, in order to comply with the provisions of this rule it must be interpreted with the utmost strictness because it has a limitation on debate, a limitation on the ordinary rights of members. In order to comply, therefore, with the strict provisions of the rules you must have regard for the question of whether or not the clause or clauses, title or titles have already been postponed because the motion is that they shall not be further postponed.

The argument I have to submit to you, sir, is in three main parts. First, I wish to call to the attention of the committee and deal with the situation arising by virtue of the fact that there have been three clauses only postponed, clauses 1, 2 and 3, and that those clauses were not, in fact, considered although they were postponed and therefore it is not possible to move that further consideration be not further postponed. Second, I wish to deal with the situation arising from the fact that there are three clauses, numbers 5, 6 and 7 which have not been called and upon which, therefore, it is impossible to hold that the committee has embarked upon their consideration. Third, having made what I might call an argument based on a strict interpretation of the rules I wish to make an argument, and I appeal to you that since this is an institution in which progress cannot be made in the interests of the nation unless we proceed by common sense, I wish to appeal to you on the basis of an argument on common sense as to what we are being asked to do here today.

I would then remind you, Mr. Chairman, of something I have already brought to your attention, and that is that if Your Honour finds himself in doubt as to the ruling he should make, then it is in accordance with the precedents and propriety of our proceedings that you should refer the matter to His Honour the Speaker for advice and direction. On that point, however, I will leave the argument to be developed by others of my colleagues.

As to the first of the three branches of my argument, namely that because the three clauses, 1, 2 and 3 which have already been postponed have not been considered no matter what form or words may have been used in the motion by the Minister of Trade and Commerce, I submit that we are up against the strict interpretation of the closure rule and it must be interpreted strictly. Therefore, I suggest to you that we should rule that the postponement of clauses which have not been in fact considered in an ordinary and sensible interpretation of those words cannot be made subject of a motion that their consideration be not further postponed. I say to you at the outset with respect to this particular branch of the argument, it was developed previously, quite extensively and ably by my colleague the hon. member for Winnipeg North Centre and I shall leave the further development of that argument to him and others of my colleagues in the house. This branch of my argument does come in later. I shall submit to you: On the basis of common sense, how can anyone say, you included, sir, that clauses 1, 2 and 3 have been considered in such a sense that their further consideration can be made the subject of a motion at this time? In other words, clauses which have not been considered so that the judgment of this committee might have been expressed upon it, and there has been no opportunity to express the judgment of this committee on those three clauses, cannot, in that situation, be made the subject of a motion that their further consideration be postponed. Having said that, I shall leave the details of this argument to be developed in the main by others.

May I proceed at once to the second and perhaps the main branch of my argument dealing with the situation confronting us by virtue of the fact that clauses 5, 6 and 7 of the bill have not yet been called for consideration of the committee, and therefore cannot be included within the ambit either of the notice given by the Prime Minister yesterday or of the motion made by him today that their further consideration be not further postponed. They have not been called and they have not been considered. I am satisfied, therefore, that you would not expect me, and it is not necessary for me, to elaborate further any argument that they have not yet been called or considered.

We are left with the situation that what the Prime Minister is asking the committee to do today is to apply the closure rule to clauses which have not yet been before the committee. I say to the Prime Minister and to you, the Prime Minister particularly as a lawyer and you as chairman of this committee, the one charged with the interpretation and applications of the rules, that on the basis of the clear precedents established by this house the Prime Minister's motion falls to the ground. Let us consider the precedents which are applicable under the circumstances in which we now find ourselves, and we will find that they are against the Prime Minister by three to one. The only

precedent that can be cited in support of the hon. gentleman's proposition is the precedent of 1932 when the Right Hon. R. B. Bennett was Prime Minister and invoked closure on a bill in committee. I want to make this point quite clear. I do not admit the validity of that precedent, and I shall give my reasons in the course of my further arguments.

I do not think that the government of that day was right in saying—perhaps I had better go back and say the bill contained three clauses. It had been considered for some two weeks at the resolution stage, a vast difference from the bill now before us, and it had been considered for two days in committee and when the closure motion was made only one clause had been called before the committee by the chairman.

The argument was then put forward that the discussion on clause 1 had been of a general nature and, therefore, in effect the other two clauses of the bill had been before the committee and it was a justifiable motion applicable to clauses 1, 2 and 3. As I say, I do not accept the validity of that argument because clearly clauses 2 and 3 had not been called before the committee on that occasion.

Secondly, I submit that the point of order I am now raising was not raised in a clear manner and brought before the committee clearly for decision and, as has been said by one of my colleagues here on a previous occasion, accepted, as I understand it, by the Chair. A precedent that has not been tested is not as strong a precedent as one that has been examined, tested and approved. This is a point that was not raised and was not clearly brought before the committee and established on that occasion. It is true that one of the hon. members present in the committee did ask the chairman whether the only motion that could be made was for the further postponement of clause 1. The chairman, not in the form of a ruling, but in the form of a general observation, said in effect that he did not think that question was before him to decide or before the committee to decide. He said, the motion is that further consideration of the three clauses be not further postponed, and, after one other query from an hon member, he put the motion and it was carried.

Therefore, sir, there was no clear issue raised as to the propriety of the motion and its propriety was not tested. Therefore, I submit that this precedent, tenuous as it is, is not a precedent tested, established and embedded firmly in the practice of this house. It is the only precedent that the government can bring in, in support of its position. There is another very important difference, even accepting the validity of this 1932 precedent as a precedent, which I question. There is, however, the clear difference between the situation then and the situation before us now on the basis of which that precedent can be clearly distinguished. That was a bill of only three clauses, and virtually the whole bill was contained in clause 1. It was a bill to continue in force the employment and farm relief act. All the provisions of the act, when clause 1 had been enacted, if it were enacted, covered the other two clauses which were entirely concerned with matters of detail. They depended upon clause 1 as a matter of course. In this case we have a bill of seven clauses. The Prime Minister himself said, as recorded at page 4365 of *Hansard*, that we have not yet in committee got to any one of the main operative clauses. Remember that in the case of the 1932 precedent clause 1 was the main operative clause. May I place before the committee the words of the Prime Minister as recorded at page 4365 of *Hansard* when he made the statement which he asked us to take seriously but which his subsequent action made known that he himself did not intend to take seriously, and I doubt indeed whether he felt for five minutes that the country would take his so-called offer seriously. This is what he said:

> No, Mr. Speaker, I say that, as soon as the motion before the committee has been disposed of, debate can begin either on clause 4—

I interpolate, we were then on the motion to postpone consideration of clause 3. I continue with the Prime Minister's remarks:

> —or, if hon. members wish to postpone clause 4, on clauses 5, 6 and 7, those we had thought would be the operative clauses on which it would be most interesting to have the debate develop.

By the admission of the Prime Minister himself we have not even got to the operative clause in our consideration in committee, and yet he is moving that further consideration be not further postponed on clauses that we have not even considered for one moment. There is the distinction between the 1932 precedent and this situation, if further distinction were needed. In 1932 Mr. Bennett made the argument that clause 1 embraced virtually the whole bill. That was the argument upon which he based the validity of his motion. Here the Prime Minister has admitted that the bill does not depend on clause 1, clause 2, clause 3 or even clause 4. The operative clauses, the main clauses, are 5, 6 and 7, which have not yet been before us. Therefore, I say to you, sir, the 1932 precedent is not a valid one, is not a sound one, even in the circumstances in which it

would apply; but if it were held to be sound, then it is not applicable in this situation because it is clearly distinguishable.

As I have said, the only precedents for the situation we have now with respect to closure are four, and they are three to one against the government. Let us look at the other three, the one case of 1913 and the two of 1917, the only other occasions upon which closure was applied to a bill in committee of the whole. In 1913 it was on the naval construction bill; in 1917 one case was the wartime elections act and the other case was the Canadian National Railways bill. In each one of these cases all the clauses of the bills had been called and had either been adopted by the committee or had their consideration postponed by the committee before the closure motion was introduced. Therefore, in the three cases, every clause of the bills had clearly been before the committee for consideration before the closure motion was introduced. Even if we accept the government's arguments that they were justified in postponing the consideration of clauses 1, 2 and 3 even before they had in fact been considered by the committee, their argument and their conduct last Thursday and Friday would only have been valid and have had any basis for justification if they had followed the same procedure with respect to clauses 5, 6 and 7. Therefore, their whole course of conduct in calling for the postponement of clauses 1, 2 and 3 recognized and accepted the validity of the proposition that you cannot apply closure in committee unless you have all the clauses of the bill before the committee. Otherwise, why did they go through the farce they did last Thursday and Friday of calling the clause and the Minister of Trade and Commerce moved that further consideration be postponed? Why did the minister make himself look ridiculous and make the government look ridiculous and subject parliament to ignominy and insulting procedure unless they themselves in their minds and hearts admitted at that time that the only way they could get closure applied was, in fact, if every clause had been called, brought before the committee and its postponement then moved. Therefore, their conduct establishes the validity of the argument I now make and emphasizes that the precedents of 1913 and 1917 are the precedents that should be followed in this house rather than the tenuous and shadowy substance of the precedent of 1932.

It may be, sir, that the Prime Minister will attempt to make an argument that it is not necessary for each clause to be called separately in order for it to be before the committee. He may say: The bill was before the committee for one and one-half days and, therefore, in our grace we permitted you to have a general discussion and in effect every clause has been before the committee. There is not a shadow of substance for that argument. I contend that in order for a clause of a bill to be before a committee it must be called as a separate question by the chairman. Every authority I have been able to find supports the proposition that it must be called and placed before the committee by the chairman.

May I refer you to a few of these authorities. I start first with Campion and refer you to pages 215 and 216. I do not know what edition it is but it is the one that is in the library. Here Campion is discussing the proceedings in committee on a bill and at the foot of page 215 you find the following:

> The chairman calls each clause by its number and, if no amendment is offered, immediately proceeds to propose the question "That this clause stand part of the bill".

It is true, I admit, that the English procedure in committee is slightly different from ours, but Campion and May have been cited as authorities and used as a basis for ruling against us in previous arguments in committee and with respect to the point I am now making I submit the English proceedings in committee are absolutely applicable and the authority is exactly in point.

Campion continues:

> On this question a debate on the provisions of the clause may take place. After it has been proposed it is no longer in order to move an amendment. As soon as the first clause is disposed of the Chairman calls the next clause and so on. Strictly, a separate question is necessary on each clause, but on uncontentious bills it is not unusual to save time by putting the question on groups of clauses.

This can hardly be described as an uncontentious bill. It is clear from this that a separate question is necessary on each clause and each clause must be called and considered separately before it can be held to have been before the committee.

Next I would give you the authority of May, fifteenth edition, at pages 526 and 527. At page 526, again in a passage discussing proceedings in committee of the whole House of Commons, we find the following:

> Order in which bill is considered.
>
> The text of a bill is considered in committee in the following order:
>
> (1) Clauses.
> (2) New Clauses.
> (3) Schedules.
> (4) New Schedules.
> (5) Preamble (if any).
> (6) Title (if amendment thereto is required).

Clearly, sir, you must call the clauses separately and you must call the clauses separately before they are before the committee.

Furthermore, at page 527 of May, you find the passage which has been quoted to us before which says:

> The calling of a clause by the chairman brings it under the consideration of the committee, but does not entitle a member to speak generally upon the clause—

And so on.

It is clear that you, sir, have to call the clauses before they can be under the consideration of the committee, and remember, the words of the closure rule are "postpone the further consideration of these clauses".

Then coming to a Canadian authority, I refer you to Bourinot at pages 521 and 522:

> The preamble is also postponed in both houses until after the consideration of the clauses. The bill is then considered clause by clause. The chairman usually calls out the number of each clause, and reads the marginal note, but he should give the clause at length when it is demanded by the committee. He will then put the question, "shall the clause be adopted," or "stand part of the bill". Each clause is a distinct question, and must be separately discussed.

There is no question on the basis of the authorities, both English and Canadian, that clauses must be called and put before the committee by the chairman before it is possible to argue that in fact they have been before us for consideration.

Now, as to the basis of what was done in this house and the authorities applicable here, I have already referred to the one case in 1913 and the two in 1917. I would like to refer you, sir, to the statements made by the Right Hon. Arthur Meighen in the year 1913 when the closure motion was exhaustively discussed in this house. To Mr. Meighen has sometimes been attributed the authorship of the closure rule. Whether or not that is so I do not know but I have noticed that on one occasion he denied it. However, it is universally admitted that he clearly understood its application, he was a sound parliamentarian, he knew how to apply it, and he knew all the formalities that had to be observed in its application.

We find in column 9359 of *Hansard* for the session of 1912-13 the following statement from Mr. Meighen. When Mr. Meighen was discussing this very point of order he said:

> . . . there is really no such thing as adjourning a debate in committee; it is the consideration that must be postponed in committee, as he will find in May.

Then he went on to discuss the basis of the closure rule and said as follows:

> . . . the very basis of these new rules is that there shall hereafter be an order of consideration in committee, and that a bill shall be considered after this, clause by clause. That is the underlying principle of the new rules. Whether there has been an order of consideration in committee or not, there must be hereafter, in order to make the new rules intelligible.

We have not had clauses 5, 6 or 7 before us for consideration and yet the Prime Minister is trying to make this motion apply to the whole bill and all the clauses in committee.

Again Mr. Meighen said, as reported in columns 7535 and 7536 of *Hansard* for 1912-13, when dealing with this subject—here is the question. I will read the question and the answer in extenso:

> Mr. German: Could they not give notice as to the whole bill and stop the discussion on every clause?

Which is what the government is trying to do here.

> Mr. Meighen: This is what can be done: clause 2 is under discussion, say for two weeks or three weeks or five weeks—

And I pause there to say how very different from what we have had here; clauses 1, 2 and 3 under discussion for one day; clauses 5, 6 and 7 not even called; clause 4, for a day and a half—but Mr. Meighen went on:

> . . . for two weeks, or three weeks or five weeks, as would suit hon. gentlemen opposite; clause 2 is under discussion and the motion to postpone the consideration of that clause is made. Then it would be in order I would think, for the committee to pass to clause 3, and clause 3 would then have to be discussed and a separate motion would have to be made as to clause 3.

Then I go down a little further:

> A motion is made that consideration be postponed on one clause; then, after the other clause has been discussed, another motion is made, of course all within the responsibility of the government, that the consideration of that be postponed. Then notice is given that the clauses so postponed be on a certain day not further postponed. That is to say, notice is given that a motion will be made on some subsequent date stated, that the consideration of these clauses, so postponed, be not again postponed, and these clauses then must be taken up on that day.

The motion is clearly applicable only to the clauses that have been postponed.

The Deputy Chairman: I am sorry to have to interrupt the hon. member. I permitted him to complete his quotations but he has exceeded his 30 minutes.

Mr. Fulton: Mr. Chairman, do you rule that in committee on a point of order there is a time limit fo 30 minutes?

The Deputy Chairman: Yes. My recollection is that this matter came up about a week ago. I find that the standing order says that no member except the Prime Minister and the Leader of the Opposition shall speak for more than 30 minutes at any time in any committee of the whole house. I know of nothing to the contrary and I rule that that applies to any member, even though he be arguing a point of order.

Mr. St. Laurent (Quebec East): Mr. Chairman, I am sure we have all listened with much interest to the argument which has just been submitted by the hon. member for Kamloops upon the proper application of standing order 33. I think that it is hardly possible to discuss the technical points he has raised without first considering what is the purpose of this standing order. Standing order 33, as I indicated yesterday before giving notice of this motion for today, I think was designed to enable every member on both sides of the house to express his opinion on a measure by his vote in time to make that decision effective.

Mr. Drew: On every section.

Mr. St. Laurent (Quebec East): On every section. Even under closure that is what is required. Some form of closure has been found to be necessary in all parliaments and in 1912 it was found to be necessary here. Although the rules have been revised from time to time it has been found desirable to retain that standing order in the form in which it was first adopted.

The need for a provision similar to that provided by standing order 33 was expressed in words which I feel should commend themselves to all hon. members on both sides of the house. I should like to read what Mr. Attlee said in 1945 shortly after he became Prime Minister of the United Kingdom, and I quote:

> I have sat too long on the opposition benches not to be sensitive of the rights of the opposition and of the rights of private members. It is the right and duty of the opposition to criticize the administration and to oppose and seek to amend the legislation of the government, but it is nonetheless the right and duty of the government to govern and to pass into law the program which it has been elected to carry out. The successful working of our parliamentary institutions depends on harmonizing these conflicting rights and duties. It will be the object of the government to preserve the rights of minorities as an essential feature of democracy while, at the same time, ensuring that democratic institutions are not wrecked by a failure to carry out and implement the will of the majority.

That is a fair statement of what is endeavoured to be achieved by the enactment of standing order 33. The hon. gentleman has said that there are four precedents, but there are three that were similar in form for the application of standing order 33 on a bill in committee of the whole. One was followed in all cases but the more recent case of 1932. The government would have preferred to have followed the earlier precedents because their application would have given the committee, if hon. gentlemen so desired, an opportunity before the rule was suggested, for a discussion of each clause separately. As the hon. member has clearly indicated, to follow the earlier precedents it is necessary to have each clause postponed once before the motion for the application of standing order 33 is made.

We believe that clauses 5, 6 and 7 are the really important clauses of the bill, the other four clauses being largely formal. We intended on Wednesday last to move the early postponement of the first four clauses so that debate could be focussed on clause 4 and the subsequent clauses before going back to the earlier ones. Those clauses contained the purposes for which the corporation was being set up and if those purposes were not acceptable and were not provided for there was no point in having the other clauses considered or discussed because they would have provided merely an empty shell.

As you will recall, the order of the house to proceed to the consideration of this bill in committee on Wednesday last was frustrated throughout the whole sitting of Wednesday. The house finally got into committee on Thursday and the government undertook to have the early clauses of the bill postponed after a brief explanation in order to facilitate the immediate consideration of the really important operative clauses.

Once again a concerted effort was made by hon. gentlemen opposite to prevent any progress being made. On Thursday evening when the Minister of Finance, as leader of the house, rose on a point of order to explain the procedure being followed by the government, hon. gentlemen opposite, who had been professing to uphold the rights of members to speak, were not willing to listen to the explanations of the leader of the house and frustrated those explanations by raising further technicalities.

Mr. Diefenbaker: Are the rights of parliament a technicality?

Mr. St. Laurent (Quebec East): No, the rights of parliament are not technicalities. There was a formal objection raised, not in respect to the rights of parliament but in respect to the rights of the leader of the house to exercise what is usually regarded as one of his rights as a member of the house.

Mr. Fleming: It was not a right; he asked for an indulgence.

Mr. St. Laurent (Quebec East): Perhaps it is that in the estimation of hon. gentlemen opposite—

Mr. Drew: It is in the estimation of anybody with any sense.

Mr. St. Laurent (Quebec East): —when an hon. member of this house is prevented from participating in the discussion of a question before the house.

Northern Ontario Pipe Line Corporation

Mr. Fleming: He asked for indulgence to be heard.

Mr. Drew: He had no right to be heard at all.

Mr. Fleming: The ruling had been made that it could not be debated.

Mr. St. Laurent (Quebec East): This was before the ruling had been made; this was on a point of order.

Mr. Fleming: The Chair had ruled that the motion was not debatable and nobody could speak on the motion. He asked the indulgence to speak.

Mr. Rowe: Indulgence for one side and no indulgence for the other. That is this parliament.

Mr. St. Laurent (Quebec East): The following day, as hon. members will remember, was another very frustrating day and the government came to the conclusion that the only effective course open to it was to follow the precedent of 1932 which was the most recent and seemed to us the most pertinent case in which standing order 33 had been applied. At that time it was standing order 39 but it was readopted during the course of last session in its present form. Lawyers admit that it is a principle that when a statute is being consolidated and the language which has been acted upon has been construed, that construction, if it is not acceptable, is avoided by making some change in the form of the rule.

There was no change made in the form of this rule. On that occasion a motion similar to the motion I have proposed was made by Mr. Bennett, who was then Prime Minister and whom I would expect hon. gentlemen of the official opposition would accept as one having great authority, both as a lawyer, and as one having proper respect for the rights of parliament. But what is even more important to us on this side of the house is that when points of order similar to those suggested by the hon. member for Kamloops were raised by the leader of the U.F.A. party, Mr. Gardiner, Mr. King, to whom gentlemen opposite have been making very frequent references, especially on these questions of closure, did not see fit to join in attempting to support those points of order, and the house adopted the motion submitted by Mr. Bennett. It seemed to us that that was the most recent precedent and that it was a valid precedent upon which we could rely.

Mr. Diefenbaker: Had not consideration been given for several days to the matter before closure was adopted?

[Mr. St. Laurent (Quebec East).]

Mr. St. Laurent (Quebec East): There had been several days' consideration given to a resolution that was on the order paper, because it was argued very strenuously during many days that that resolution would not lead to any effective legislation.

Mr. Diefenbaker: Argued for many days?

Mr. St. Laurent (Quebec East): Finally there was a notice of closure made to bring that resolution to a vote, and hon. gentlemen will remember that at that time the motion that the Speaker leave the chair for the house to resolve itself into the committee of the whole was a debatable motion. As soon as that motion was adopted, and the form of resolution, about which they had been complaining as not apt to lead to any effective legislation, was changed and something quite different was substituted for it—when that was done, their objection having been met, the resolution was adopted—at an hour that very closely resembled one that we witnessed on that clock not so very long ago, 4.42 a.m., and the bill was read a first time.

Mr. Knowles: The clock had better be kept wound up, too.

Mr. St. Laurent (Quebec East): Then a bill that was quite different from that which had been foreshadowed in the resolution was put before the house. Yes, the resolution provided for a bill to amend chapter 58 in order to replace the word "March" by the word "May". Whilst the resolution that was finally adopted provided for a bill which became the Unemployment and Farm Relief Act, which contained three clauses—

Mr. Diefenbaker: After many days.

Mr. St. Laurent (Quebec East): —that could become operative. That bill got its second reading on division and went into committee. I am sure the hon. gentleman has read—perhaps more than once, as I have done—the whole debate that took place there.

Mr. Diefenbaker: I have also counted the days.

Mr. St. Laurent (Quebec East): I did not count the days, because the first notice for closure was made on March 23, at the time the house was rising for the Easter recess, and the house did not meet again until March 29, and it was on March 29, 30 and 31 that the proceedings on the bill were discussed and that on a closure motion they were disposed of. That is what occurred at that time.

There can be no question that no clause of that bill had been referred to the committee. The hon. gentleman had submitted, in support of his point of order, that before the clauses are before the committee they have to be individually called. They certainly

have to be individually called before they are passed by the committee, and closure does not bring about the passage of any one of those clauses. I think that there was no objection raised at the time that the putting of the three clauses in one motion was not a procedure that would establish a precedent, but I submit to you, sir, that when we have here a precedent set by the presence and discussion of the matter by as eminent parliamentarians as Mr. Bennett and Mr. King, we are entitled to regard it as a valid precedent and we are entitled to ask that it be applied to future cases.

Now, it has been stated that there was not even technical consideration of clauses 1, 2 and 3. On each of those clauses there has been a reference to the house, and the house has by its vote asserted that they had been considered in such a manner as to justify—

Some hon. Members: Oh.

Mr. St. Laurent (Quebec East): If you will refer to the *Journals*, you will see that that is so in fact. As far as the operative clauses are concerned, of course, we shall admit that there were not many gentlemen on the other side of the house who have deigned to discuss any clause of this bill.

Some hon. Members: Hear, hear.

Mr. Rowe: Nobody has been allowed to.

Mr. St. Laurent (Quebec East): They have preferred to concentrate upon their discussions of the procedure that was being recommended to the house by the government. But all those who have, even in discussing the procedure, referred to the bill have referred to the purposes of the crown corporation, to the method of financing the crown corporation, to the loan the crown corporation might make to Trans-Canada Pipe Lines, and those are the purposes of clauses 5, 6 and 7, which have not been specifically called for the consideration of the house.

Mr. Diefenbaker: We have not been able to get any answers at all. You have been as silent as the tomb.

Mr. Rowe: What is the load factor on the steamroller?

Mr. St. Laurent (Quebec East): The load factor in the house has been 100 per cent.

Mr. Drew: One hundred per cent tyranny.

Some hon. Members: Oh.

Mr. St. Laurent (Quebec East): I do not know that we advance the business that is before the committee at this time, or even advance the respect each one of us has for parliamentary institutions, by the use of violent language.

Mr. Rowe: There are not many left.

Mr. St. Laurent (Quebec East): There are methods by which one's opinions about the procedure that is being followed can be expressed—

Mr. Diefenbaker: Why don't you follow that?

Mr. St. Laurent (Quebec East): —without reverting to the kind of language we have heard, I think, all too frequently in the course of this debate—

Some hon. Members: Hear, hear.

Mr. St. Laurent (Quebec East): We realize the responsibility we are taking in doing our best to bring this matter to a division where all members of the house will have, and be able to exercise, their right to express by their votes their opinions upon the measure.

Mr. Rowe: Just by their votes.

Mr. St. Laurent (Quebec East): We do not dispute the rights of hon. members to try to persuade. We do not even dispute the propriety of the statement made again yesterday by the hon. member for Rosetown-Biggar in which he said, as found at page 4465 of *Hansard*:

> . . . I believe that, if one feels as strongly as I do that this is not in the best interests of the country, anything I can do to stop this going through, under proper parliamentary procedure, I am right in undertaking.

Mr. Rowe: Is that not all right?

Mr. St. Laurent (Quebec East): We do not dispute that—

Mr. Diefenbaker: Just deny it.

Mr. St. Laurent (Quebec East): —but we do think that the opposition should not question the right of the government, feeling as strongly as we do that this is in the interests of the country, to do everything we can—

Some hon. Members: Hear, hear!

Mr. St. Laurent (Quebec East): —under proper parliamentary procedure—

Some hon. Members: Oh, oh!

Mr. St. Laurent (Quebec East): —to give every hon. member the opportunity to vote on this measure.

Mr. Rowe: You will let us vote on it, will you?

Mr. Sinclair: If you are here.

Mr. St. Laurent (Quebec East): We do think that the precedent set in the time of Mr. Bennett and Mr. King as to the manner of applying properly this closure rule is a valid precedent and one we are entitled to rely upon.

Mr. Rowe: They never closed it like this.

Mr. St. Laurent (Quebec East): Perhaps the hon. gentleman—

Mr. Rowe: I was here. You were not.

Mr. St. Laurent (Quebec East): —is relying upon his memory as to what took place at that time. Many of us have been reading the official reports of what took place at that time, and there the situation is on all fours with the present situation—

An hon. Member: No.

Mr. St. Laurent (Quebec East): —subject only to the exception that there are seven clauses here while there were only three in that case. But there is a title here as there was in the other case. There are clauses here that have not been individually called as there were clauses in the former case that had not been individually called.

Mr. Rowe: The first one was called.

Mr. St. Laurent (Quebec East): Well, I do not know that there is any very special difference arising out of the fact that the first one was called.

Mr. Rowe: There certainly is.

Mr. St. Laurent (Quebec East): If the argument submitted has any validity at all it has as great validity with respect to any one of the clauses as it has with respect to the first clause.

Mr. Rowe: We understand why you did not call it.

Mr. St. Laurent (Quebec East): Well, I do not know what the hon. gentleman has in his mind in saying that we did not call it. I have said we did call it and we moved that its further consideration be postponed because we wanted to get as soon as possible to what was more than the shell so that those hon. members who really did want to discuss the purposes, the method of financing and the powers of this crown corporation could have an early opportunity of doing so.

Mr. Fleming: Your solicitude is most touching. You did not want a general discussion and the right to ask questions on clause 1. That is what you wanted to avoid.

Mr. St. Laurent (Quebec East): Has there been any objection raised from this side of the house to the general discussion that has been taking place on the part of those who wanted to discuss the bill?

Some hon. Members: Hear, hear.

Mr. Fleming: Scores of questions that have been asked remain unanswered.

Mr. Sinclair: Martyred St. Donald.

[Mr. St. Laurent (Quebec East).]

Mr. St. Laurent (Quebec East): Perhaps the hon. gentleman might indicate what are those questions that have been unanswered. There were some questions submitted the other evening in a quite amusing speech by the hon. member for Peel.

Mr. Rowe: None of them answered either.

Mr. St. Laurent (Quebec East): I think if the hon. gentleman will read the report of the questions asked by the hon. member for Peel he will realize that if all those matters had to be ascertained in advance this country would not have reached the stage it has reached in its development at the present time.

Some hon. Members: Hear, hear.

Mr. St. Laurent (Quebec East): Some persons have some faith in the future of this country, the kind of faith that Sir John A. Macdonald and his associates had when they attempted to build a railway right across the country.

Mr. Rowe: He would have been ashamed of you today.

Mr. St. Laurent (Quebec East): Well—

Mr. Rowe: So would Sir Wilfrid.

Mr. St. Laurent (Quebec East):—I do not know about that. That is the hon. gentleman's opinion. I have my opinion about the propriety of our conduct and I will be prepared to defend that conduct in every quarter where it may be challenged.

Mr. Rowe: Let us go to the country and ask the people.

Mr. St. Laurent (Quebec East): We will be going to the country in due course—

Some hon. Members: Hear, hear!

Mr. St. Laurent (Quebec East): —and I am prepared to meet such criticism as is being offered at the present time. The hon. gentleman says: Why not go now? Well, we have asserted and we firmly believe that it is in the interests of the country to get this project started this year.

Some hon. Members: Hear, hear!

Mr. St. Laurent (Quebec East): I am wandering from the point of order, Mr. Chairman. I am sorry and I do apologize. I have submitted to you that we are proceeding upon a valid precedent that is applicable to the present situation and that on the strength of that precedent you should not entertain the point of order that has been submitted.

Mr. Knowles: Mr. Chairman, I rise to support the contention that the Prime Minister's motion is out of order. Indeed, in doing so

I am pressing the point of order notice of which I gave yesterday just after the Prime Minister indicated that he would move this motion of closure today.

At the outset, Mr. Chairman, may I deal with what the Prime Minister has said. Frankly, I wonder whether the right hon. gentleman realizes the full implications of what he has told this House of Commons. Although I tried to take down his words I may not have them exactly but I am sure I have their import. He said to us that the government would have preferred to follow the earlier precedents because they would have made possible a more complete discussion of the individual clauses. Having said that, he then recited what he referred to as the obstruction with which the government was met on the floor of the house.

Mr. Fleming: Frustration.

Mr. Knowles: I am sorry, I am told that the word was "frustration" rather than "obstruction". Does the right hon. gentleman realize what he is saying? He is telling the House of Commons that it was the government's preference to follow the correct precedents, to follow the ones that can stand up, but because they were frustrated by the bad boys of the opposition, because their timetable was upset, they changed their minds and decided to follow a bad precedent. Frankly, Mr. Chairman, I am shocked—

An hon. Member: Who cares?

Mr. Knowles: —at a great lawyer like the Prime Minister telling us that that is the kind of leadership he is giving his party in the House of Commons.

An hon. Member: Good leadership.

Mr. Knowles: The Prime Minister told us that Mr. Bennett's precedent was that of a constitutional lawyer and a man versed in parliamentary procedure. That is not usually the kind of compliment the Liberals pay Mr. Bennett. Since happily I belong to neither of the old parties I can speak the truth about what Mr. Bennett did in 1932. I think he perpetrated a fraud on the House of Commons—

Mr. Harris: Careful, now.

Mr. Knowles: —when he moved closure as he did before clauses 2 and 3 had been called at all. The Prime Minister says today that Mr. King registered no objection, that the only objection was raised by Mr. Gardiner who was a member of the U.F.A. I think it is very clear from a reading of the debate that at that point there was a bit of play between the two sides. It almost looks to me as though Mr. King wanted the government of the day to impose closure, for once closure had been imposed the Liberals kept up the debate for only a very short time. There was not a great deal of point in making a formal protest and appealing the ruling, but I do ask the Prime Minister, the Prime Minister who says that Mr. King did not object to what went on on that occasion, to note that on pages 1610 and 1611 of *Hansard* for April 1, 1932, Mr. King did have something to say about what was happening at that time. The closure motion had been moved on the same day, as reported on page 1609. On the very next page, Mr. King said this:

> —the Prime Minister comes along in the first minute of proceedings in committee today and applies closure, affecting all three sections of the bill, though as you, yourself, Mr. Chairman, well know, even the first section has not yet been passed. I quote from yesterday's proceedings at page 1557 of *Hansard* as follows:
>
> "The Chairman (Mr. Hanson, York-Sunbury): I would ask the hon. gentleman, who knows the rules, to observe them. We are discussing section 1 of this bill."
>
> As you yourself have said, Mr. Chairman, section 1 of the bill is the only section that has been discussed, yet by the most coercive and arbitrary act of which a government is capable, we are being prevented from discussing sections 2 and 3 of the measure and discussing at any further length the first section.

The Prime Minister says Mr. King made no objection. There is his objection, over on the next page, that this was the most coercive and arbitrary act of which a government is capable. Later, on third reading of that bill on the same day, as recorded on page 1615 of *Hansard,* and I admit this refers to the whole proceedings which Mr. Bennett had employed in connection with that legislation but it included what had happened that day, Mr. King said this:

> I can only express the hope that some of the rulings and decisions may never be cited as precedents by any subsequent parliament in this country.

Some hon. Members: Hear hear.

Mr. Knowles: I continue:

> I believe the members of the ministry will themselves be the first to blush when, in calmer moments, they review what the records disclose of the means which were taken to bring into being this particular measure.

I note that the hon. member for Kamloops, although he is neither a minister nor was he a member of that cabinet, is blushing.

Mr. McCann: It is the colour of his hair.

Mr. Knowles: The Prime Minister stands up today, a great lawyer and a great defender of the rights of parliament, and says to us: "We would much rather have followed the earlier precedent, the correct ones, the ones

that stand up, but we were frustrated by these bad boys on the opposition side of the house so we have fallen back on Mr. Bennett's precedent." He says that, despite the fact that Mr. King, who, the Prime Minister says, did not say anything, said within the next two or three pages he hoped no future parliament would rely on the precedents that had been established in the course of getting that legislation through the House of Commons.

I am not going to take a great deal of time, Mr. Chairman, because I am limited to a half hour, in getting involved in the intricacies of standing order 33 which is difficult to discuss without getting mixed up in double negatives and further this and further that. Even so, if one takes the time to look at it carefully I say it is clear that the kind of motion that the Prime Minister can make under standing order 33 in committee of the whole is one that falls into two parts. The first part is that he must move that further consideration of certain clauses be the first business today. The Prime Minister, under that part of the standing order 33 has sought to move that further consideration of clauses 5, 6 and 7 be the first business today. I am omitting any reference to clauses 1, 2, 3 and 4 because I am not going to get involved in confusing technicalities about those clauses, even though I do not think what was done with regard to them was proper. However, no one can deny that clauses 5, 6 and 7 have not been called, have not been discussed or considered and have not been before the committee. How then can the Prime Minister stand up today and move a motion that the further consideration of clauses 5, 6 and 7 be the first business of this committee today? It is utterly unthinkable. I submit, Mr. Chairman, that though by relying on a technicality you could accept the first part of the Prime Minister's motion, the part with respect to clauses 1, 2, 3 and 4, you cannot possibly accept the part that asks that the further consideration of clauses 5, 6 and 7 and the title be the first business today.

The hon. member for Kamloops has developed it so I will not go into it, but the second part of standing order 33 permits a motion saying that consideration be not further postponed. Obviously if we have not had previous postponements of clauses 5, 6 and 7 there cannot be a motion that consideration be not further postponed. It is crystal clear from the wording of standing order 33 and it is crystal clear what happened in 1932, that bad precedent on which the Prime Minister is trying to rely today, and crystal clear from the opposition Mr. King registered to it which the Prime Minister did not bother to tell us about, that the action he is taking today is completely out of order.

I may say, Mr. Chairman, that yesterday we did not know what was going to happen when the house met at 2.30. It was one of those rare occasions when there had been a Liberal caucus from which there had been no leaks. We did not know what was going to happen. I confess if there was a look of amazement on my face which the Minister of Finance and others may have seen, I was shocked when the Prime Minister gave notice of a motion which was so completely out of order. I am glad the Prime Minister got into this debate on a point of order, but I wish he would recall the stand he took on an equally difficult matter back in 1946. I am not going to read any more from what Laurier or Lapointe or Mackenzie King said, because those great Liberals do not seem to move the Prime Minister. Rather I intend to read St. Laurent to the Prime Minister.

On June 18, 1946, the Prime Minister was asked a difficult question. He made an answer which I still remember because to me it was one of those classics that sometimes reach the pages of *Hansard*. It took courage, honesty and integrity to make it, and he made it well. He had been asked by the late Arthur Smith, in a discussion on redistribution which got over into a discussion of the British North America Act, whether or not section 133 of the British North America Act, relating to the status of the French and English languages, could be amended without the consent of the provincial legislatures. One could hardly imagine a more difficult question to be put to the present Prime Minister, who was then the Minister of Justice. This was his courageous reply in terms which, I say, represent a classic on the pages of *Hansard*. On page 2621 of *Hansard* for that date, I find this:

> Can that be dealt with without the consent of the provincial legislatures? Legally I say it can. The situation appears to me to be this. There are persons and nations who reach a high estate in the affairs of men, and the high estate they reach imposes upon them high obligations. There was no obligation on the Tribune Festus to say to King Agrippa that he could not deliver Paul to the Jews when they requested that he be put to death. It occurs to one, however, that they also had reached a high estate, which imposes a corresponding obligation. I copied out of the Bible on the table of this house, from the Acts, the quite natural statement of Festus:
>
> "It is not the manner of the Romans to deliver any man to die, before that he which is accused have the accusers face to face, and have licence to answer for himself concerning the crime laid against him."

There was no statute; there was no law which required that this be done; but there was the concept in the Roman conscience that it was the proper thing to do.

Then, after reciting one or two sad instances in the history of this half of the North American continent when there were certain unfortunate developments regarding the language question, the Prime Minister concluded his statement with these words:

If it is fair; if it is just; if it is proper according to the standards of human decency, it will be done; if it is unfair; if it is unjust; if it is improper, all members of this house will say, "It is not our manner to do such things."

The Prime Minister has it in his power to put this motion and if you, sir, do, as I feel you should, rule it out of order, he has the power to challenge that ruling, marshall a majority and win a verdict in favour of this improper motion. He can do it; he has the power; he has the majority behind him, out of whose souls all Liberalism seems to have gone. Frankly, Mr. Chairman, despite the obvious fact that this is a clear violation of standing order 33; that it is based on a bad precedent which Mr. King criticized and abhorred, nevertheless, he can do it; he has the power and the majority. But I did not think it was his manner to do such a thing.

The hon. member for Kamloops has already referred to the clear-cut statement that was made by Mr. Meighen in 1913 when the Conservatives were putting the closure rule on the books of this House of Commons. I will not take the time to read the particular passages he read, but I will read another one, which is in column 7537 of *Hansard* of April 10, 1913. It is admitted that Mr. Meighen had something to do with the drafting of the closure rule. After the explanation that he had given had been questioned by some of the Liberals who did not quite understand it, Mr. Meighen sought again to explain it. This is what he said:

Mr. Meighen: Yes. Nothing more, however, is done at that time and they pass to clause 3. That is the next thing to do, without a doubt. Clause 3 then becomes the subject of discussion in the committee. Clause 3 is under consideration and the committee discusses it also for a time, and the government takes the responsibility for the length of that time.

Then, Mr. Meighen goes on and moves in his explanation from clause 3 to clauses 4 and 5, and so on, and sums it all up in these words:

A debate has taken place successively on each clause and then when we have got all through the bill and all has been debated clause by clause, the government, or a member of the government, may give notice that he will move on a certain day that these clauses, all of them, be the first business of that committee and be not further postponed, and then all the clauses must be taken up on that last day and concluded by two o'clock. I think that is absolutely clear.

The only change, of course, is that now "two o'clock" would have to read "one o'clock". Mr. Meighen, who is credited with being one of the draftsmen of the closure rule, made it crystal clear that the only time you can move a motion such as the Prime Minister sought improperly to move today is after all of the clauses successively, one by one, each and all of them, have been discussed. I am sure the Prime Minister has read this, as I have read it. I am sure he understands it just as I understand it, but I confess again that I am shocked that he flies in the face of it, as he has done today.

The hon. member for Kamloops has indicated that there is the one terribly bad precedent that Mr. Bennett perpetrated against this house in 1932; but there are three precedents the other way. There was one in 1913 and two in 1917. I submit, Mr. Chairman, that in at least two of these cases the issue was far more contentious in parliament than is even the issue that is before us at the present time. Remember that on each of those occasions it was the Conservatives who were in power, and the Liberals like to think that the Conservatives were a little dictatorial, a little high-handed. But I ask the Prime Minister to go back and do some more homework on those precedents and admit to us, as he should, that on both of those occasions the House of Commons painfully, laboriously, at the risk of taking a great deal of time, went through and considered every clause in those bills before the government of the day sought to move closure. In fact, on one occasion there was even a discussion of a couple of paragraphs on the title so that the rule would be met completely.

In the case of the naval aid bill in 1913—hon. members can find this in volume V—after considerable discussion clause 1 was carried. Clause 2 was discussed for a considerable time and then was postponed, as recorded in column 9276. Clause 3 was moved in that column and postponed in column 9339. Clause 4 was moved on that page and not postponed until column 9348. I could go on right down to clause 6. It was only after all of the clauses had had some discussion in the committee—I am not confusing the issue by pointing out the kind of so-called discussion we had on clauses 1, 2 or 3; I am letting that go because the issue about clauses 5, 6 and 7 is so much more important, and I am sure the chairman realizes that—it was only after there had been consideration and discussion recorded in *Hansard* and motions carried under protest and by votes and divisions, and so on, that the government of the day sought to move closure.

Northern Ontario Pipe Line Corporation

In 1917 there were two instances. The first was the bill having to do with the Canadian Northern Railway, which had four clauses and a title. I have in my hand the page numbers on which those various clauses were called and postponed. Clause 1 was postponed on page 4990; clause 2 was called on that page but did not get postponed until page 4996, and so on. As I say, I have all the information, but the point I am making is crystal clear. I have left nothing out. It is crystal clear that before the closure motion was moved all of the clauses had been considered by the committee.

Then, Mr. Chairman, in 1917 there was that extremely contentious measure, the wartime elections act. What historic memories, what a terrific battle it brings back, and yet the House of Commons, painfully, laboriously, went through the task of seeing to it that every clause, 1, 2, 3, 4 and 5, and the schedule, was considered before any attempt was made to move the closure. In fact, on that point, since I am rushing along and not putting all the figures on, may I say that on pages 5701 and 5702 Mr. Meighen said, in reply to a question:

> I do not know what the arrangement is, but I want to remind the hon. gentleman who is leading the opposition that all the clauses can be considered now and the notice given. I do not think the notice need apply to any particular day, as long as it is given at a previous sitting.

That statement of Mr. Meighen means that the notice of closure was given after all the five clauses and the schedule of the wartime elections act had been considered.

I am not a lawyer, Mr. Chairman; the Prime Minister is; but for the life of me I cannot see how he can stand up as leader of this House of Commons and ask us to rely on that detestable precedent of 1932, which the hon. member for Kamloops at least goes so far as to call invalid, and which Mr. King criticized so strongly. Yet he stands here and asks the house to fall back on that when we have these three clear-cut precedents in which Mr. Borden and Mr. Meighen, who were the draftsmen of closure, followed the rule to the limit. I call upon the Prime Minister to read again what he said to us in 1946 when he quoted scripture to us as well. I say to him, he can do these things; he has the power; he has the majority, but I did not think it was his manner to do such a thing.

I also point out, Mr. Chairman, that in addition to the statement the Prime Minister made today to the effect that the government would rather have followed the earlier, the better, precedent, it is also a matter of fact that the government started out to do it that way. Whatever explanation the government may now give about the frustration it experienced at our hands from this side, the fact of the matter is that last Thursday the Minister of Trade and Commerce sought to move to postpone clause 1, and then to postpone clause 2, and so on. There is no doubt what they were trying to do. They were trying to abide by the rule; they were trying to do it the right way. They were trying to do it the way the Prime Minister preferred them to do it. It was only when it became inconvenient to do it the right way that the government said, "Well, it looks as though we will have to pull Mr. Bennett out of the shadows and deify that precedent as something we can fall back on," despite what Mr. King said about the whole proceeding in 1932. As I say, the government started out in this instance to follow the rule as it is set out in standing order 33. They set out to follow the practice outlined clearly by Mr. Meighen back in 1913. They set out clearly to follow the precedent of 1913 and the two in 1917 but faced with frustration, faced with the fact that it was going to be difficult and inconvenient, it was decided that the rule book could be thrown in the Ottawa river.

Mr. Martin: Why do you say, "inconvenient"? You made it impossible to discuss.

Mr. Stewart (Winnipeg North): It is not impossible to obey the rules.

Mr. Knowles: My hon. friend the Minister of National Health and Welfare suggests that we have made it impossible.

Mr. Martin: To discuss.

Mr. Knowles: Without going into the question of whether or not we made it impossible I say to you sir, and I say to the government, no matter what road block or difficulty the opposition puts in the road of the government that does not give the government the right to break the rules. It does not give even the Prime Minister the right to urge this house to accept as in order a motion which I am sure he knows in his heart of hearts is not in keeping with the definition of the rules spelled out by Mr. Meighen, or in keeping with the three clear-cut, well-established precedents that were worked out in 1913 and in 1917.

I would say to the government that back in 1913 when this matter was being discussed there was a Liberal of that day who later became a unionist—and I guess that means he was eventually a Tory. I refer to Mr. Guthrie. Mr. Guthrie was a pretty critical Liberal in 1913 and he did not like the closure rule, nor did his leader, Sir Wilfrid Laurier. At that time he tried to build up a case to the effect that it might

be possible under this closure rule to avoid any discussion from the opposition side of the house at all. Sir Robert Borden said it was an absurd position but Mr. Guthrie, a Liberal at the time, worked it out by saying that we might be met by:

. . . a minister disposed to go the limit—

How little Mr. Guthrie realized he was prophesying the coming of a certain minister. He suggested that a minister might go the limit:

—and the committee stage can be passed without a syllable being uttered on the opposition side in the way of comment on the bill.

I am trying to find where he spelled it out that the committee could do it in committee of the whole in a minute of time going from one resolution to the next. Mr. Meighen replied to Mr. Guthrie and these are his words as recorded in column 8258 of Hansard of April 22, 1913:

Does the hon. member really seriously say that a minister moving the second reading of a bill, who during the course of his speech moves the adjournment, is moving that adjournment after debate? Is that his position?

Mr. Guthrie said yes and Mr. Meighen's reply was:

I will leave the hon. member to rest in that absurd position.

I am speaking quickly, and I am not able to pick it up readily but it is here, the corresponding discussion of the situation in committee where Mr. Guthrie suggested that the government might abuse this rule by having the committee go from one clause to another without any discussion.

Mr. Rowe: Exactly what they have done.

Mr. Knowles: Mr. Meighen, Mr. Borden and others who were piloting the closure rule through the committee said that was impossible and that it would not be debate, that it would not be consideration, that under standing order 33 it would not be possible for one person only to speak and move the adjournment or postponement at the end of a speech.

Mr. Rowe: They never dreamed of 1956.

Mr. Knowles: How little Mr. Guthrie realized, when he used those words that there might some day be a minister prepared to go the limit, but he was uttering a prophecy that has been fulfilled in our day.

Therefore, Mr. Chairman, I urge you to consider this matter very seriously as I know you are and have been since you realized it might come up. There have been occasions in this house—I remember one particularly in 1948 when a predecessor of yours stood firm despite an appeal from the government side that a ruling be made the government's way. I refer to the time when Mr. Golding, who was in the chair, was faced with our contention that a ruling he made was correct whereas Mr. Abbott challenged that ruling and eventually appealed it to the house. This is even more serious than that. The whole question of the rights of parliament, despite what the Prime Minister tries to say, is at stake; not just our right to speak but the practice of the majority by its superior numbers in declaring that black is white. It can, by sheer weight of numbers, be done, and I am still dumbfounded that the minister of justice in 1948 who said it was not our manner to do such things—

Mr. Fleming: 1946.

Mr. Knowles: Yes, June 18, 1946—is today asking this house to take on something which, it is clear to everyone, is completely out of order.

Mr. Fleming: How the mighty have fallen.

Mr. Knowles: Mr. Chairman, I realize my time has expired and with one sentence I will sit down. Another great Liberal, Frank Oliver—I call the attention of the hon. member for Athabaska to this because he is a great devotee of his—said that closure is not a blow at the opposition of the house, it is a blow at the rights of the Canadian people. When closure is imposed in this way, by the moving of a motion that is out of order—

Some hon. Members: Time—

Mr. Knowles: —it is a blow that strikes at the very heart of our democratic system.

The Deputy Chairman: Before the hon. member for Prince Albert speaks I had intended to state this to the committee. I think I am in a position to make the very difficult ruling which it is my duty to make. I am going to hear the hon. member for Prince Albert but I am going to request him to advise me of new material. The material that has already been submitted by the hon. member for Kamloops, the hon. member for Winnipeg North Centre and the Prime Minister I have before me.

I am also going to indicate that perhaps I have been too lenient with hon. members on both sides of the house this afternoon in permitting what should be advice to the Speaker or the chairman on a matter of order to become a debate on the advisability of whether or not the motion should be passed, a matter which is not debatable.

Perhaps in order that I should make it clear why I say this to the committee I might point out that there is no debate on a point

of order in that sense. The chairman takes the responsibility of permitting or asking, as the case may be, members of the house to assist him with their advice and it is his—that is, it will be my—responsibility to decide when that stage has passed. The hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Chairman, I start by reverting to the motion made by the Prime Minister, that at this sitting of the committee of the whole house on Bill No. 298 the further consideration of clauses 1, 2, 3, 4, 5, 6, and 7, the title of the said bill and any amendments proposed thereto shall be the first business of this committee and shall not be further postponed.

Now, sir, I listened to the Prime Minister today with all the interest which the prestige of the position he occupies demands, and I feel that in the course of his argument he realized how specious that argument was when he endeavoured to show that further consideration of clauses 5, 6 and 7 could take place when they had never been considered.

I ask the Prime Minister, through you, not believing at this time that there is any prospect of any change in his view, nor am I any more hopeful than if a seed were dropped on a glacier that it would become productive, but I do make this appeal on the basis of all the authority of British tradition. All the authority of British tradition is that this has never been done in a British parliament except in 1932, and then how different the matter was to the one now before this committee.

I am no authority on the rules, and I say that to begin with, but I have gone through all the British *Hansards* and gathered all the instances in the last 100 years. I have four of them here but I am not going into the details. I shall simply place them before the committee. To begin with, I say that never in all British history under a parliamentary system have the rules been juggled as they have in this case or have the rules been changed as it were between innings.

I go back nearly 60 years and start with the Ireland bill in 1901; then there was the education local authority bill in 1904; the military service bill in 1916, and the tithe bill in 1918. In every one of those cases motions were made similar in nature, that further consideration be postponed, and in every case the ruling was that there was no authority under British tradition for such a course to be followed.

Today the Prime Minister paid a tribute to our system and the need of preserving parliament. I say to him that the responsibility cannot be dissolved by saying that the majority is with him in the stand he has taken. Parliament and the preservation of its prestige are paramount to a pipe line or to a prime minister frustrated. In every one of the cases to which I have referred, and I have the authorities here, the hon. gentleman occupying the position that you now occupy decided without question against any similar move being made. It is interesting to read what some of the participants in that debate had to say. At that time they did not report verbatim but rather in narrative form, and I refer hon. members to volume 139, page 1220 of the British *Hansard* for 1904, at which time Mr. Lloyd George was taking part in the debate on the education local authority bill. I quote:

> Lloyd George joined in the debate and stated that "It surely was the duty of the chairman to protect the minority in this respect. It was obvious that the object in thus drafting the bill with only one section was so as to be able to closure it in one motion."

And later:

> Again Lloyd George warns the Prime Minister, A. G. Balfour, that everything had been compressed into a single clause in order that the matter might be rushed through.

But parliament decided otherwise through the chairman. I am not going to do other than simply state as a member of this house that I have gone through British *Hansard* and I find that never has such a devious course been accepted at any time. The mere ruling that the words "that further consideration be postponed"—I ask the Prime Minister, through you, if he would advance the argument in the Supreme Court of Canada that further consideration be postponed with regard to something that had not been considered? I am going to quote one who has a distinguished son as a member of this cabinet. In 1932 the late Right Hon. Ernest Lapointe, the leader from the province of Quebec whose successor is the Prime Minister, had this to say as reported on page 1497 of *Hansard* for that year:

> It means that parliament is being asked to abrogate its position as the predominant factor in legislation. It means that we are being asked to agree to be dragged at the wheels of the Prime Minister and to make parliament an appendage of the executive.

Mr. Harris: He was not talking about closure.

Mr. Diefenbaker: I will read it all.

> This attitude of the Prime Minister makes our duty to resist this legislation more imperative.

I am glad the minister suggested that because it is more applicable having regard to the Prime Minister's conduct in the last day or two.

The first duty of parliament is to remain a parliament, not to become a subservient and ornamental body. Parliament has a right which is certainly paramount to the convenience of the Prime Minister, the right to live.

May I interpolate, it is also superior to the frustration of a prime minister.

It has the duty to defend itself and not to allow anybody to invade its rights and privileges. It is the will of parliament, not that of the government, that is the will of the nation. When the Prime Minister says that he speaks for the whole of the country, he is mistaking the echo of his words for the voice of the Canadian people. It is parliament which is and must remain the authorized exponent of public opinion and of the public will.

And then later on:

The sovereignty of the people is delegated to parliament, not to the executive, and when I say "parliament", it means the minority as well as the majority in parliament.

I have given you the authorities and I am not going to reargue the points which have already been placed before you. However, I do make an appeal to the Prime Minister. This parliament, this institution should be a temple of freedom, not a place where frustration becomes the means whereby rights are swept aside and whereby rules are misinterpreted in order to achieve a temporary advantage. There is no interpretation that anyone can give that there can be further consideration of a clause that has never been considered.

Mr. Chairman, no matter how the word "further" is misinterpreted, the dictionary or any other meaning cannot be contrived to expand it to mean that further can have reference to something that has not yet been done or achieved. The Prime Minister could certainly act even now. There is no reason why he should allow himself as Prime Minister to be made an instrument to perpetrate on parliament a ruling which if achieved could be extended beyond the present limitations. If the present interpretation as advanced by the Prime Minister is correct, then all that would have to be done would be to bring in the bill and have the minister introducing it simply say, "Clauses 1, 2, 3, 4, 5, 6 and 7 and the title; I move that no further consideration be given to these clauses." How ridiculous can we become. How spurious an argument can be advanced. I quote further from page 1498 the words of Mr. Lapointe:

The duties of an opposition are, as he says, to discuss the measures which are submitted to parliament on the various stages of the bills, certainly not to obstruct. He says that would be a crime against the state. But, Mr. Speaker, when the measure is one that has the effect of making parliament extinguish itself, when it is a measure for the purpose of taking away all the rights, privileges and powers of parliament, it is then the duty of the opposition to try to prevent its adoption and those who perpetrate a crime against the state are those responsible for bringing down such a measure . . .

I read that because I did not want to leave any portion out.

What he would conceive as a parliament is that we should stand at attention and salute when the Prime Minister wants us to do so, a parliament that would be ready to goose-step at the behest of the Prime Minister. Sir, the methods of the czar have produced bolshevism, and we do not wish to introduce that in Canada. It is an evil work, I claim, on the part of those who are in this way undermining the authority of parliament . . .

Those were the words of that tribune of democracy who, regardless of whether one agrees with him or not, at all times knew his sincerity, his capacity and his statesmanship. I ask the Prime Minister even now, even on the basis of a simple mathematical formula, if he were arguing a case in the Supreme Court of Canada, and there were three judgments along one line and one along the other, would he argue that the one should be preferred to the three, particularly when the acceptance of his interpretation of No. 1 would have the effect of emasculating parliament? Surely this government will not pursue its stubborn course. I join with the hon. member for Winnipeg North Centre in saying, what I have said in this parliament and outside, that I never believed that this thing would take place, with a man like the present Prime Minister in this position. I have always said, "After all, while one may disagree with him, he will endeavour at all times to uphold the sacredness of parliament". I ask him even now to make, or at least endeavour to make, and restore it as a temple of freedom instead of a place of majority repression.

Mr. Fulton: Mr. Chairman, I have one further ground to bring forward and on which to base new argument, as you yourself invited, and that is the ground of commonsense. What are we being asked to do if we establish the precedent on the basis of the motion made by the Prime Minister today? We would be asked to emasculate the committee and to prevent the committee from doing that job for which it was set up, namely, to help the House of Commons, which has referred this bill to us.

I refer you to a citation in an old book but an authoritative one, Palgrave's "Chairman's Handbook", where you will find at page 87 the following passage under the heading "Duties and Powers of a Committee":

The assistance of those who appoint the committee is its legitimate function.

In other words, the function of this committee is to assist the House of Commons who appointed us and referred this bill to us. It continues:

> And this assistance is generally rendered by the conduct of an inquiry through the reception of evidence, the drafting of a document, or the consideration of papers referred to the committee.

What has been referred to us is a bill of seven clauses. We cannot consider that bill adequately unless we consider each clause. We are being asked now to accept closure on a motion moved by the Prime Minister when we have only had four clauses actually called and placed before us.

On the same subject, what Mr. Meighen said as to reasonableness is very appropriate. In column 9367 of *Hansard* for 1912-13, he said this. He had been asked by Mr. Guthrie what would happen if the government tried to close off all debate before the matter had even been considered. He said:

> I endeavoured to meet that position and I said that within the reasonable meaning—

I am appealing here to common sense.

> —of that rule the government would not be acting correctly or within the spirit of the rules if they did not permit the opposite side to speak.

He went on to answer a member who had asked him a question, by saying:

> His difficulty is that he forgets that all sentences in law or anything else and all rules in the House of Commons as in law, must be interpreted in the stern light of commonsense. When the rule says that there must be a debate before the motion to postpone it is made, the word debate must be interpreted in a reasonable way in the light of the sentence.

Here we have the word "consideration" as applicable to committee. Let us apply this question to common sense. We are asked to use the precedent of 1932 in which, after one clause had been before the committee, all the other clauses were brought under closure. Although four clauses have been brought before us we are asked to apply that precedent today. What would that establish? It is the precedent that we have to consider, the ruling that would be made and embedded in the authorities of this house.

Supposing that we had a bill of 50 clauses, this would establish the precedent that one clause might be called and postponed and then the other 49 put under closure. Supposing we had a bill of 150 clauses, with one clause called and postponed and 149 put under closure without any previous discussion, or supposing we had the Criminal Code or the Canada Shipping Act, with 600 or 700 clauses —we have statutes of that magnitude on our statute books and we very probably will have them again—are we to establish a precedent—is that what the right hon. gentleman asked us to do?—that would say that when one clause has been called and postponed after 15 seconds discussion, and others not called, the other 699 can then be put under closure? That is what the right hon. gentleman is asking us to establish here today. What is to be the average? Four out of seven? One out of five? One out of 20? It becomes impossible of interpretation, and the full absurdity and unsoundness of the proposition now placed before us is made self-evident.

Therefore, I should like to conclude, Mr. Chairman, by referring you to one other statement made by Mr. Meighen when he discussed the closure rule and made it clear that it must be interpreted and applied in the light of common sense. He was asked whether the very sort of thing or a similar sort of thing to what is being done today could ever be done under this rule. Here is what he said, in column 7533 of *Hansard*. He was asked by Mr. German:

> I did not say it should be done. I was asking the hon. gentleman if, under these rules, it could be done?

Mr. Knowles: The Prime Minister should listen to this one.

Mr. Fulton:

> Mr. Meighen: Yes, but it would be absurdity itself if it were done and I do not think that any hon. gentleman could suggest any method for guarding against what some hon. members may think is a terror but which I think could not be perpetrated except by a government which was at once insane and vicious.

Mr. Fleming: That day has come.

Mr. Fulton: If this goes through, it will be an affront, a precedent fastened upon the House of Commons, which can only be described as an insane and vicious act.

The Deputy Chairman: Order.

Mr. Drew: Mr. Chairman, there is one point, before you make your ruling, which I should like to refer, and which I do not believe has been dealt with, and certainly not emphasized. It seems to me, quite apart from the interpretation of the words, which certainly has great importance, that there is an extremely important question arising as to the interpretation of what was done in 1932. In 1932, which is the precedent upon which the Prime Minister now relies, an act of three sections was before the committee. The first section had been discussed and there was a wide discussion of the first section. I think it is important to note what that act was because the nature of the act has something to do with the argument that the subsequent sections had also been discussed while section 1 was under consideration.

The act of 1932, when closure was moved under a blanket motion such as we have now, was an act respecting unemployment and farm relief. That was an act which had as its purpose the validating of certain steps taken under the Unemployment and Farm Relief Act, 1931, following the expiry date of that act on the first day of March, 1932, and making all the various steps that had been taken valid and also continuing the act in full force and effect. It was simply in its purpose the continuance on the statute books, with such necessary other powers as there might be, of the Unemployment and Farm Relief Act of 1931.

There was not much question in anyone's mind about the necessity of continuing the act. There were certain discussions as to the details with regard to the procedure, but the whole core of the act that was before the house, the whole weight of the argument, rested on the discussion of section 1. Sections 2 and 3 only referred to the placing of all orders in council and regulations made under the provisions of the act before the house and also providing that the Unemployment and Farm Relief Act, 1931, and this act, that is, the act of 1932, should be read and construed as one act.

In other words, sections 2 and 3 were simply definitive sections which followed in the natural course of events from section 1. Section 1 had been discussed; and I am not going to argue about the desirability of this precedent. As we look back on this precedent of 1932 we realize how dangerous it is to move from one precedent to another which narrows and restricts the rights of parliament. In this case, if there are objections to the arguments that were made in support of this procedure, they can be made on the ground and only on the ground that sections 2 and 3 had not been considered within the meaning of the rules because they had in fact not been discussed separately. I certainly do not like the wrapping together of sections in this way but at least it can be said that in discussing section 1 of the act in 1932 the effect of sections 2 and 3 was embraced in that discussion. In any event, it was simply an act continuing another act already on the statute books and in three short sections making such provisions as were appropriate for the continuance of that act.

This is a very different situation, different in every way. Section 1 was not discussed. Section 1 was not considered in any ordinary meaning of the word "considered". Whether "consider" means to discuss or to examine or to debate, in this case there was none. The section was called and it was postponed. The same applied to section 2 and the same applied to section 3. Then for the first time we came to section 4 and there was some discussion but only then under the limitations of having passed over the earlier sections.

The Prime Minister made the extraordinary contention this afternoon that there was in fact no difference in the situation resulting from the absence of any consideration of section 1. Mr. Chairman, by practice and by tradition the first section is the section where discussion can take place, where there can be questions and answers, and it opens the broad discussion of the legislation generally. That was denied to us. So also was any discussion of section 2, and when the Prime Minister says, with some suggestion of a desire to meet the wishes of the members, that he thought we might well discuss the later sections, that really is the unkindest cut of all.

After all, here were section 2 and section 3 that were important sections and we were not allowed to discuss them. We got into section 4 without even having had a chance to define what the words meant that were going to be used in the act or to know what kind of corporation it was that we were going to discuss in section 4. The two situations are entirely different. No matter how far one may strain the application of the decision in 1932, Mr. Chairman, I submit that it would be straining the English language in a way that would make any ruling a mere fiction if it were said that the precedent of 1932 was justification for the acceptance of the motion now before us. That would be so even if it were said that there has been consideration of all the sections of this measure in the limited debate that has taken place on one section after closure on section 1, closure on section 2, closure on section 3 and no opportunity whatever even to have sections 5, 6 and 7 brought before us.

No, Mr. Chairman, there is no possible parallel between the two cases. It would be a shameless distortion of the meaning of simple and understandable words if it were said that those words embraced such a procedure as that which we have here and I submit, Mr. Chairman, that you now have it in your hands to restore to this parliament some of the dignity, some of the honour, some of the tradition which have been the rich heritage of those who now sit here as the successors of those who built a great institution over the years since 1867. Upon you is now imposed the opportunity and the responsibility to return to this house the meaning of words in the language that we use and to give to those words a sensible and understandable meaning that does not

place in the heart of every member of the house uncertainty as to whether or not the rules are really to be applied in the strict meaning of the words.

It has been said here that there has been reason for concern on the part of every member about the nature of some of the exchanges that have been taking place. Let there be no uncertainty, let there be no pretence that the chair and the chairmanship of the committee have not been called into question by the members of this house. They have by votes which have tested the rulings that have been made. If on this occasion the words of this ruling are now extended to embrace the interpretation that is sought by the Prime Minister, then I submit it would be most difficult for members of the house at any time to refer to any rule and to say that it meant what it said in the plain language in which it was printed. On this occasion, Mr. Chairman, I submit there is a great opportunity to restore in their full meaning the acceptance of the rules we have, and to restore to the chair the dignity it should possess in this house.

The Deputy Chairman: I preface this ruling with a reference to the last remarks made by the Leader of the Opposition. It is always the duty of a chairman, I take it, when a ruling is to be made to make a ruling which will be unpalatable to one side or the other. I have every respect for the warmth of feeling on both sides of the house on this occasion, but I think I am entitled to express some regret that it should be indicated to the chair in advance that you either think as we do or—I will go a little farther than the Leader of the Opposition went—you are not worthy of the office you hold. I am sorry to say that, but I can put no other interpretation upon his remarks.

Mr. Drew: On a question of privilege, Mr. Chairman; I would hope that we would not continue the nature of the discussions which have disturbed this house in recent days. I do not think what I said was open to that meaning. I am suggesting that it would greatly add to the confidence of this house in the meaning of words if the chair, on this occasion, came to the conclusion that words had their simple, ordinary meaning.

The Deputy Chairman: I thank the Leader of the Opposition for that clarification paragraph. I suppose it would be a very small compliment coming from me if I were to say that those members who have spoken today should be complimented on the work that they have done in connection with this case. I have done a little myself, but I have had considerable help from those who have spoken.

[Mr. Drew.]

Now, as this matter has aroused so much debate I presume it is my duty to give some reasons for the ruling that I am about to make. I do that knowing full well that it is said so often in the legal profession that many a judge's case would stand up against appeal if he had not given written reasons to support his decision. The whole question really seems to revolve around the interpretation to be put on the words "further consideration" found in standing order 33. It is submitted by those who oppose the legality of the Prime Minister's motion that further consideration cannot possibly be interpreted as applying to the two different classes of sections which we have before us, the first three of which were called and which certain members of the opposition claim did not receive consideration worthy of the name, and the last three which admittedly have not yet been called.

I think that decision has already been made. I think the position I am in at the moment is not to indicate to the committee what I think the rules of this house should be but what they are. In most, not all, of the submissions made this afternoon there has been a great deal of quotation from statements made in similar debates to this in previous years. While the people who made those speeches, perhaps by their prominence in the life of the country, are entitled to be quoted and listened to with respect, those quotations none the less were arguments and not decisions. We have been told, and it is so, that four somewhat similar incidents have been before this house. In three of those four the question which has been raised as a point of order never came up. In those first three the clauses had been considered and therefore the question as to whether or not it was necessary did not come up and was not argued.

This leaves only the case of 1932, and incidentally in point of time the most recent case of this kind to come before the house. I believe it was the last time closure came before the house, but I am not sure about that. On page 1605 of *Hansard* for March 31, 1932, Mr. Bennett made this statement:

> I beg leave to give notice that, at the next sitting of the committee of the whole house, I shall move that the further consideration of the title and clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

There was some discussion at that time, but of course that was the notice and the matter was not before the Chair.

On page 1609, the following day, when the committee resumed Mr. Bennett said:

> Before the order is proceeded with, Mr. Chairman, I desire to make the motion of which I

gave notice last evening, that further consideration of the title and clauses 1, 2 and 3 of Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

He made some further brief remarks and the chairman put the question. Then Mr. Gardiner, not the present member of the house, rose to a point of order as follows:

On a point of order, Mr. Chairman, is not clause 1 the question that is before the committee at the present time?

The chairman, who was Mr. Hanson of York-Sunbury, said:

Technically speaking, clause 1 was before the committee, but the committee considered every clause of the bill. As a matter of fact, therefore, all the clauses of the bill have been before the committee.

Mr. Gardiner: On another point of order: Is it possible to have three clauses of a bill considered in committee at the same time? Is it not more correct to say that in accordance with the ruling of the Chair, the committee will now proceed to the consideration of clauses 2 and 3.

The Chairman (Mr. Hanson, York-Sunbury): I do not know that I should advise the hon. member touching the suggestion which he has just made. I do not understand it to be a point of order.

The chairman then put the question that clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act shall be the first business of the committee and shall not be further postponed. It has been agreed, I think, by all—I mean all in this committee—that clause 1 had been called and debated and clauses 2 and 3 had not been called, but it seems to be generally agreed in the discussion here that their subject matter was discussed during the debate on clause 1. In this committee clauses 1, 2 and 3 have been called;—I leave aside for the moment the question of whether they have been considered because this house has made a ruling on that—clause 4 has been called and debated at length. I do not think that it could be seriously contended that the discussion on clause 4 did not range pretty well over clauses 5, 6 and 7 and 1, 2 and 3. At any rate, I find that it did for the purpose of this section.

Now, I am not in the least unmindful of the not only impassioned but impressive appeals which have been made to me by members speaking for the opposition in their argument that the Prime Minister's resolution is out of order. I accept that responsibility, as I accept what I consider to be my only responsibility at the moment; not to rule upon the merits or demerits of a motion, not to rule upon the desirability or otherwise of procedure or of a standing order, but to try to come to a conclusion as cold-bloodedly as I can as to whether or not the motion submitted by the Prime Minister is in order. In accordance with the rules and the practice of this house, based on the last decision in 1932, I so rule.

Mr. Knowles: Mr. Chairman, I appeal your ruling to the house.

Mr. Nowlan: They are all the same.

Mr. Drew: Tear up the rule books now.

Mr. Rowe: Precedents are established for anything. You can do as you like in the future. If any of you young fellows ever become Prime Minister, you can do anything.

Mr. Harris: We like you around.

Mr. Rowe: You have precedents for anything. Close parliament; throw away the key; throw away the rule books. Everything is set. Things that are of interest to the country, don't debate them.

The Deputy Chairman: For the information of the hon. member for Kamloops and the hon. member for Winnipeg North Centre—the hon. member for Kamloops raised the point of order—I propose, before officially submitting it to the house, to read them the report I propose to make on this ruling I have made.

In committee of the whole, with respect to the Prime Minister's motion, Mr. Fulton raised a point of order that the motion was not in order on the ground that certain clauses of the bill had not been before the committee and also that other clauses were postponed before being considered by the committee and, therefore, in accordance with standing order 33, the said clauses could not come within ambit of the proposed motion. The chairman ruled that in accordance with rules and practices of the house the motion is in order.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

Mr. Speaker, in committee of the whole, Mr. St. Laurent (Quebec East) moved that at this sitting of the committee of the whole house on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill, and any amendments proposed thereto, shall be the first business of this committee and shall not further be postponed.

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The chairman ruled that in accordance with the rules and the practice of the house, the motion is in order.

Whereupon Mr. Knowles appealed to the house from the ruling of the Chair.

Mr. Speaker put the question as follows:

The question before the house is an appeal from a ruling of the chairman of the committee of the whole.

Northern Ontario Pipe Line Corporation

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Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, before you put the question will you hear me on a point of order? My point of order is, sir, that on other occasions when an appeal has been made from the committee of the whole house you have based your action on citation 428 of Beauchesne, third edition, which reads as follows:

> In case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the house in the language reported to him and put the question. "That the decision of the chairman be confirmed." No discussion is allowed on the appeal.

The point I want to bring Your Honour's attention to is that you appear to be overlooking something which has been an established practice of the house and simply has been in abeyance because the issue has not been raised for a great number of years. This method of appealing from the committee of the whole house to the Speaker in days gone by followed two courses and, as Bourinot points out on page 395 of his fourth edition:

> If a question of order arise, the chairman will decide it himself, unless it be deemed more advisable to refer the matter to the speaker in the house itself.

Then he quotes rule 14, which was applicable at the time this book was written.

> Rule 14 provides: "The chairman of the committee of the whole house shall maintain order in the committee, deciding all questions of order, subject to an appeal to the house; but disorder in a committee can only be censured by the house on receiving a report thereof."

Then in a very interesting note at the bottom of the page the editor of this book, Mr. Bourinot, says:

> The first appeal to the house under this rule occurred in the session of 1885, and there have been several since that date, but it has inconveniences, since the house is called upon suddenly and without debate to decide a question of order which many of its members may not have heard discussed in committee, and the result is, in many cases, a political, rather than a judicial vote, which might not stand the test if strict parliamentary rules were applied.

I suggest, Mr. Speaker, that in considering matters such as these one has to take very carefully into consideration whether or not a separate group of decisions may be established in committee of the whole house apart from decisions established by Speakers. As I understood Your Honour on other occasions when we were having this type of appeal, you stated or implied that you had no part other than simply to put the vote to the house. I am suggesting for your careful consideration that you have two courses of action to follow. The first is to consider the motion itself, the point of appeal, and give assistance or advice to the chairman of the committee of the whole house who may then revise his ruling in committee of the whole house. Your second course of action is that if you are satisfied the rules have been satisfactorily obeyed, that the precedents have been followed, you may proceed to put the vote as you have done on several occasions in the past.

Bourinot goes on to discuss this on page 396. He deals with the first matter which is now in front of you, the report in writing from the chairman of the committee and the fact that the Speaker will put the question, and then he says:

> If the committee wish assistance or confirmation on a point of procedure on which they are in doubt, or on which the chairman has not expressed or does not wish to express an opinion, they may ask the advice of the Speaker.

Dealing with that further down he says:

> In the former case, where the committee refers to the Speaker for advice, progress is reported on motion duly made, and when the Speaker has given his advice, the committee resumes in accordance with regular practice.

Now, sir, that matter came up for discussion in the House of Commons here on June 6, 1899. The point at issue in committee of the whole house then was whether or not a document which had been referred to in the course of debate should or should not be tabled. The Deputy Speaker, the chairman of the committee, ruled that it was not necessary in his opinion because of a lapse of time that had occurred since it had first been mentioned. Then a procedural dispute developed as to how the appeal should be made to the Speaker.

Sir Charles Tupper was interested in the matter and he said, as reported in column 4448 of *Hansard* for June 6, 1899:

> I understand, Mr. Chairman, that you have given your ruling, and I desire to appeal from your ruling to the Speaker. It is a very important point.

You will note, sir, that he did not say he was appealing to the house. Then considerable discussion occurred. After Sir Charles Tupper had claimed the right to appeal rather than having to go through the business of moving a motion that the committee rise and report, the Deputy Speaker said, as reported in column 4449 of *Hansard* of that date:

> The hon. gentleman will find in Sir John Bourinot, at page 483:
>
> "If it be found expedient in either house to refer a point of order to the Speaker, a member will move that the chairman report progress and ask leave to sit again that day. When the Speaker has resumed, the chairman will report that the committee wishes to be instructed as to the point in question."

Then the committee had a little trouble with regard to the motion to rise and report, which was defeated and they were left in a state of suspended animation.

It appeared then that things had come to an impasse. In column 4451 of the same volume Sir Charles Tupper spoke at some length with regard to this matter and read from Bourinot of that particular period, an earlier volume than the one I have here. He also referred to points of order similar to that which had occurred in 1885 and 1886. This is what he read from the Bourinot that was in his possession in 1899:

> If a question of order arise in committee, the chairman will decide it himself, unless it be deemed more advisable to refer the matter to the Speaker. Rule 76 provides that a question of order arising in committee of the whole shall be decided by the chairman, subject to an appeal to the house, but his order to the committee can only be censured by the house on the Speaker receiving a report thereof.

May I indicate here that rule 76 has come down to us with only the slightest modification and appears as standing order 59 (4), which reads:

> The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house; but disorder in a committee can only be censured by the house, on receiving a report thereof.

I note that in the rule book of 1922 that ruling is substantially the same as it was in 1899 and as it is at the present time. Our present rule has modified the one of 1922 by leaving out two or three inconsequential words, and the rule that was then No. 14 read:

> The chairman of the committee of the whole house shall maintain order in the committee, deciding all questions of order subject to an appeal to the house; but disorder in a committee can only be censured by the house, on receiving a report thereof.

I suggest, Mr. Speaker, that in 1899 there was a firm course of action established in the House of Commons at this particular stage in its proceedings when the committee of the whole house asks for an appeal and expects in that appeal to get a decision or advice from the Speaker on a point of order that has been raised; or, failing that, the second course of action which is putting the question.

In column 4452 of *Hansard* for June 6, 1899, Sir Charles Tupper said these words:

> It is out of respect to the Speaker that the practice I refer to has been followed—

He had been referring to the practice of 1885 and so on.

> —because the Speaker is considered the appellate authority who settles the practices, not only for the house, but the committee, and the chairman of the committee has not the right to prevent the Speaker regulating, if desired by anyone in the committee, the point in dispute.

He goes on to point out how that appeal to the Speaker may be arrived at.

I said that on June 6, 1899, there had been a little difficulty and some uncertainty in the committee. On June 7 of that year the Deputy Speaker rising at the commencement of committee proceedings said this, as reported in column 4553 of *Hansard:*

> With the permission of the house, before we proceed with the consideration of this bill, I would like to make a full statement, in view of what occurred last night.
>
> With the view of preventing any such misunderstanding with respect to the procedure on the questions that arose during yesterday's sittings in committee of the whole, and on the appeal to the house from the decision of the chairman of the committee, I may state that I have referred to the authorities on such subjects, and find the following rules laid down authoritatively.

Then he gives the four rules which were the authority of that day and which should pertain to the present. Here they are:

> 1. If the committee wishes assistance or information on a point of procedure on which they are in doubt, or on which the chairman has not expressed or does not wish to express an opinion, they may ask the advice of the Speaker. But, as a rule of practice, the chairman alone is responsible for the business of the committee, and no appeal can be made from his decision on a point of procedure except to the house.

He then goes on to give the authority. The second rule is:

> 2. In the former case, where the committee refers to the Speaker for advice, progress is reported on motion duly made, and when the Speaker has given his advice, the committee resumes in accordance with the regular practice of the house.

The third and fourth deal with putting the question and what happens if the Speaker be absent. I bring this out to indicate the two courses of action which are open, to indicate that this is a practice which has been firmly established in the House of Commons but which has not been called into use for a great many years until just this last week or so. In the interval the collective memory of the House of Commons has forgotten the practice

which was authoritative in the past and the present rule dealing just with appeals to the house, as it states, was in days gone by a reference to the Speaker for his decision and advice. If he was satisfied that the ruling made by the chairman was sound I presume he would simply put the question.

Mr. Speaker: Before the hon. member proceeds further would he be kind enough to give me the page in *Hansard* of 1899 where the Speaker laid down those rules?

Mr. Churchill: It was the Deputy Speaker and I think overnight between June 6 and 7 he must have consulted Mr. Speaker. This will be found in columns 4553 and 4554.

I suggest that the Speaker's duty, which I know he clearly understands himself, is to understand everything that comes before this house and to determine whether or not it is in accord with the rules and traditions of parliament. Beauchesne's 1922 edition refers to Hatsell at page 117 as follows:

> For the Speaker is not placed in the chair merely to read every bit of paper which any member puts in his hands in the form of a question; but it is his duty to make himself perfectly acquainted with the orders of the house and its ancient practice, and to endeavour to carry those orders and that practice into execution.

I suggest that while perhaps that practice may be called ancient, nevertheless it is sound. I took the trouble to investigate the English practice, and I would refer you to May's fifteenth edition at page 516. I find that in England they have used this method all along of asking advice from the Speaker, as well as simply putting the question as to whether the chairman's ruling should be sustained. I quote from page 516 as follows:

> In 1889 appeal was made to the Speaker regarding extensive alterations made by the committee on the tithe rent-charge recovery bill. He stated that, whilst he desired to safeguard the rights and jurisdiction of the chairman of ways and means in giving an opinion on a matter of committee procedure, and although he could not, as Speaker, stop the bill on the point of order that the bill was a new bill, he unhesitatingly affirmed that the practice of the house had been, in a case of this kind, to withdraw a bill which had been so dealt with, and to introduce another bill in an amended form on which the decision of the house could be obtained upon a second reading. The bill was thereupon withdrawn.

I emphasize the fact that this was an appeal to the Speaker for his advice. His advice was accepted by the committee and the bill was withdrawn.

> On 27 January 1913 the Speaker was asked to express his opinion as to certain amendments which it was proposed to move to the franchise and registration bill, then being considered in committee of the whole house. The Speaker—

I omit a few words which are not applicable.

> —said that the admission of any one of the amendments to which his attention had been directed would so alter the bill as to make it a new bill, and that he would advise the house under the circumstances that the bill should be withdrawn and leave be asked for the introduction of a new bill.

I think that shows clearly that two courses are open to a committee of the whole house, in England as in Canada. I checked the British *Hansard* to see what happened, and I find that on January 24, 1913, Mr. F. E. Smith and Mr. Lloyd George were engaged in the discussion of a point of order. Mr. F. E. Smith is reported in column 879 of the British *Hansard* of January 24, 1913, as follows:

> I ask your ruling at once, before the right hon. gentleman proceeds—as it might have consequences no one would desire if the view I am submitting to you is right—as to whether that matter falls within your competence to decide or whether it is not a matter for Mr. Speaker, and Mr. Speaker alone.

He was addressing those remarks in committee to the chairman. Then Mr. Lloyd George, who was also interested in this point of order, went on to say:

> The question which I am putting to you, sir, is whether you will rule during the committee stage that the bill has been so transformed that you could not proceed with it during the committee stage. I certainly am not in any sense challenging the opinion of Mr. Speaker, because Mr. Speaker has not given a ruling upon the point, and I am certain that if he did I would certainly challenge it except with Mr. Speaker in the chair. What I want a ruling upon is whether you in committee may feel that the bill has been so transformed as to be a totally different bill that you could not allow any progress to be made with it.

Then the chairman said this:

> My answer to the right hon. gentleman is that, in my view, the only thing that concerns me as chairman is whether each amendment as it comes up in turn is in order—that is to say, within the scope of the bill—and otherwise in order. I have nothing to do with the question which appears to be raised, the question of what the cumulative effect of amendments may be with regard to future stages of the bill. That does not fall in any way within my jurisdiction. I should certainly not have any power to stop the bill in committee, however many amendments are proposed and carried, if each one individually was in order.

That was on Friday, and on Monday following the prime minister rose in his place and asked for the advice of the Speaker with regard to this trouble which had arisen in committee. Mr. Speaker is reported in column 1020 as follows:

> I believe I should be meeting the general convenience of the house if I were to state now what my view would be supposing certain amendments to the franchise bill were to be admitted. I will say this: If the amendments of which notice has been given by the government, and one or two of the amendments designed to grant women suffrage

were to be inserted in the bill, my opinion is that under those circumstances the bill would be substantially a new bill. Therefore, in accordance with the practice of the house, it ought to be withdrawn and a fresh bill ought to be introduced.

I bring forward these examples to show, Mr. Speaker, that there are two courses of action open; that when you yourself are presented with an appeal from the committee of the whole house it is within your rights and obviously your duty to examine that appeal and decide whether or not the decision reached within the committee is in accordance with the established rules and precedents of the house. Otherwise, if that is not done, it is quite possible that a body of decisions made by the chairman of the committee of the whole house would be set up, which, I think, would be apparent if that practice had prevailed in the past or prevailed in the United Kingdom House of Commons now, in that all our reference books would contain precedents and citations from deputy speakers. There are none of those anywhere. The references are always to decisions reached by Speakers themselves. I think the Speaker has an overriding responsibility, and particularly does that apply when a new matter comes to the House of Commons in committee of the whole house.

When some new decision has to be made for which there are no Speaker's decisions to go upon, what position are we placed in at that time? I think that is the position we are in right now. We have something now in front of us on which heretofore in the House of Commons no decision has been made. Are we now simply to have a vote on the decision reached by the chairman of the committee of the whole house, without an opportunity for the Speaker himself to examine that ruling and see whether it is in accordance with established precedents?

I think not. I think that here the duty of the Speaker overrides the duty of the chairman in the committee of the whole house, as in any other committee, and that when a report comes from the committee of the whole house, such as this, he must first examine that report and decide whether or not he will advise the committee of the whole house, because it is obviously in difficulty or, having decided that the matter is in order, soundly based on precedent, then he may put the question.

If it is an entirely new matter, I think the Speaker should give it consideration and bring to bear upon it the benefit of his great experience, just as has been done in this example I have quoted from the United Kingdom House of Commons, where the Speaker himself was appealed to, to make decisions which were considered to be not within the competence of the chairman of the committee of the whole house. I use that word "competence" in the proper technical sense, because no matter how able a chairman of the committee of the whole house may be he is working within a restricted field.

The same would apply, surely, to other chairmen of committees, as we have seen here where the chairman of the committee of the whole house may be spelled off for a while. I would not say any one of the members of the house, but in rotation various members are given the opportunity to occupy the place of the chairman, and it is conceivable that trouble might arise in the committee of the whole house when someone of inexperience was in the chair. Could he then make a decision and simply have that decision upheld by a vote of the house without the Speaker, a man of experience, the custodian of the rules of the House of Commons, passing his opinion upon that ruling?

Hon. W. E. Harris (Minister of Finance): I shall detain the house only one very brief moment. The wording of the old paragraph 58 (3), and I am quoting from the third edition of Beauchesne, is:

> The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house;

The hon. member for Winnipeg North Centre rose and said, "I appeal your ruling to the house."

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a few words in connection with the point of order—

An hon. Member: We heard you.

Mr. Knowles: —raised by my hon. friend the hon. member for Winnipeg South Centre. In the course of my brief remarks I shall answer the point which the Minister of Finance has just made. In fact it is one of the points on which I have made a few notes.

It seems to me that the point the hon. member for Winnipeg South Centre made about a body of rulings being built up is extremely important, as Your Honour is well aware, because it has been quite a chore for you at this session.

Mr. Speaker: Hear, hear.

Mr. Knowles: *Votes and Proceedings* have to include all the rulings you make from the chair. Indeed, not only are your rulings on points of order included in *Votes and Proceedings,* but various other statements you feel called upon to make from time to time are included in *Votes and Proceedings* or the *Journals.* As hon. members are aware, the

Journals occupy a more official place, so far as the records of the house are concerned, than is the case with respect to *Hansard*. However, rulings made by the chairman of the committee of the whole house do not result in the statement by the chairman being included in the *Journals*.

In other words, as the hon. member for Winnipeg South Centre said, a body of judgments, which may have a very great bearing on the future proceedings of the house and of the committee of the whole house, is being built up without the sanction of being reviewed by Mr. Speaker and his opinions thereon included in the *Journals*. I recognize as the hon. member for Winnipeg South Centre has had to recognize, that this is dipping back into a practice that has fallen somewhat into disuse, but it seems to me that an issue such as the one with which we are confronted today, important as it is, raises the question as to whether or not the Speaker should merely put the question to the house or whether he should examine the report and express his views thereon.

The Minister of Finance read from the old standing order 58 (3), which is now 59 (4), and which reads as follows:

> The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house—

I do not recall the exact words I used, but I have no reason to doubt that what I said was that I appealed the chairman's ruling to the house. I would point out to my hon. friend the Minister of Finance that that is in the nature of an appeal to a higher court. I can imagine that in his practice as a lawyer he has had occasion to appeal cases to a higher court. For all I know he may have gone right to the Supreme Court of Canada in his practice as a lawyer. I do not think he would be satisfied if he took a case to the supreme court and all the supreme court did was vote among the nine justices on the appeal without hearing argument or considering the merits of the case.

Mr. Dickey: That is the best argument you have ever made.

Mr. Knowles: I hear support from my hon. friend from Halifax. That is support indeed. I suggest, Mr. Speaker, whether or not we have been following this practice in recent years, that the ancient practice to which the hon. member for Winnipeg South Centre has referred is more in keeping with the importance of an issue such as this, more in keeping with the fact that we are appealing to a higher court. I think some really serious attention should be given to the request of the hon. member for Winnipeg South Centre that you consider examining the report that has been made to you.

In connection with this matter—and I have in mind the statement that Your Honour made on this matter a few days ago—may I point out that so far as our standing orders are concerned, which are, after all, basic to our practices, there is nothing in the standing orders themselves which says that you must merely put the question to the members of the house for a vote. The standing order which the Minister of Finance has read says that the matter is subject to an appeal to the house and I submit, now that we are in the house and Your Honour as a member of the house is in the chair, that it is up to the house to decide how it shall deal with this appeal. You now have a least two members of the house feeling that the way the house should deal with it is, first of all, by hearing from Your Honour as to your views on the report that has been placed in your hands.

Mr. Speaker: I have listened very carefully to the points that have been made by the hon. member for Winnipeg South Centre, the Minister of Finance and the hon. member for Winnipeg North Centre. I am inclined to agree with everything they have said except their conclusions.

Mr. Fulton: All of it?

Mr. Speaker: The hon. member for Winnipeg South Centre has gone deeply into the history of some of these precedents and I think he deserves credit for the work he has done. No doubt he will agree with me, because I have had occasion to go through the same paces myself, that except for the precedent he put his finger on in 1899 he did not find a single other precedent. I must correct myself immediately. I think he will find one that occurred shortly after the position of Deputy Speaker was created in 1885. I believe that shortly thereafter, perhaps a couple of years after the position had been created, a Speaker instead of putting the report to the house did review the ruling of the chairman, but that is the only time.

The hon. member for Winnipeg South Centre made the case, and did so very well, that if the committee desire at any stage of their proceedings to have the opinion of the Speaker they move that the chairman report progress for the purpose of obtaining the opinion of the Speaker on certain matters. That is not the case which is before me at the moment. I have verified that that is so by calling one of the clerks to the chair. I said: "Was there a request from the committee that my opinion be sought on this

matter? Was there a motion that the chairman rise and report progress in order to ask my opinion?" He assured me that such was not the case. In any event, the report I have before me—and while I was behind the curtains I heard the chairman read it—does not contain anything to that effect.

The hon. member has indicated that the position is outlined in Bourinot at pages 395 and 396. Bourinot also outlines the procedure, and he does say you must move that the chairman report progress for that purpose. But the chairman has not been moved out of the chair for the purpose of obtaining my opinion. This procedure about moving the chairman out of the chair for this purpose was confirmed precisely by the hon. member when he read what the Deputy Speaker said in 1899. As found in columns 4553 and 4554 of *Hansard* of June 7, 1899, the Deputy Speaker said:

> With the permission of the house, before we proceed with the consideration of this bill, I would like to make a full statement, in view of what occurred last night.
>
> With the view of preventing any such misunderstanding with respect to the procedure on the questions that arose during yesterday's sittings in committee of the whole, and on the appeal to the house from the decision of the chairman of the committee, I may state that I have referred to the authorities on such subjects, and find the following rules laid down authoritatively:
>
> "1. If the committee wishes assistance or information on a point of procedure on which they are in doubt, or on which the chairman has not expressed or does not wish to express an opinion, they may ask the advice of the Speaker. But, as a rule of practice, the chairman alone is responsible for the business of the committee, and no appeal can be made from his decision on a point of procedure except to the house. . . .
>
> 2. In the former case, when the committee refers to the Speaker for advice, progress is reported on motion duly made, and when the Speaker has given his advice, the committee resumes in accordance with the regular practice of the house. . . .
>
> 3. In case of an appeal to the house,—

I submit this is the stage at which we are now.

> —there is no such motion made, but the chairman leaves the chair immediately, and refers the point in dispute to the Speaker, so that the house may decide thereon. . . ."

Then a fourth rule is set out but it has no bearing on the case before us at the moment. The two instances referred to in May by the hon. member, at pages 515 and 516, had to do with the case where amendments moved in committee of the whole destroyed the bill, changed the bill or altered the bill to such an extent that the future stages of the bill were likely to be affected. What was being dealt with there in those two cases was the cumulative effect of amendments in committee on the future stages of a bill. If the hon. member looks at page 515 of May, fifteenth edition, he will see that the heading there is, "Functions of a committee on a bill." Then it is set out that the committee is bound by the decision of the house given on second reading, and so on. It then says that the objects of a bill are stated in its long title, and then makes the third point that an amendment which is outside the scope of the bill is out of order and cannot be entertained.

Then May deals with such alterations in the bill as endanger the future stages of the bill, and says that in those cases it has been decided that the procedure to be followed is for the chairman to report progress and ask the opinion of the Speaker on the matter. But at this moment—

Mr. Fulton: Since it is now after six o'clock, Mr. Speaker, may I suggest that you reserve your ruling until eight o'clock?

Some hon. Members: No.

Mr. Fulton: After six o'clock you cannot conduct any further business.

Mr. Sinclair: You cannot interrupt the Speaker when he is on his feet. Rule 1.

Some hon. Members: Six o'clock.

Mr. Speaker: I have no objection whatever to considering the matter between now and eight o'clock, but I want to tell the hon. member that I have listened to a case very well presented by the hon. member for Winnipeg South Centre, that I have listened to the Minister of Finance and to the hon. member for Winnipeg North Centre, that I looked and nobody else rose, whereupon I rose. I am now making my ruling, and at eight o'clock I shall conclude it.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Speaker: Order.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I move, seconded by the hon. member for Mackenzie (Mr. Nicholson), that this house do now adjourn.

The house divided on the motion (Mr. Stewart, Winnipeg North) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Cameron (Nanaimo)
Balcer	Casselman
Barnett	Castleden
Bell	Charlton
Blair	Churchill
Brooks	Coldwell
Bryce	Diefenbaker

Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Green
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Monteith
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—56.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters—149.

Mr. Martin: Mr. Speaker, I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted I would have voted against the motion.

Mr. Speaker: I declare the motion lost. In connection with the subject matter that was raised before six o'clock and on which I had commenced to give a ruling, I did indicate that the theory referred to by the hon. member for Winnipeg South Centre had to do with the eventuality that when in committee of the whole the members wished, with the concurrence of the chairman of the committee, that a matter relating to procedure be referred to the Speaker. In order to obtain such a reference a motion must be made and if carried the matter is referred to the Speaker.

In cases where the chairman himself has doubts and does not wish to make a decision he may ask the committee to refer the matter to the Speaker, and upon someone making a motion to the effect that he leave the chair for that purpose, he makes a report in which he includes the subject matter on which he wants to have the decision of the Speaker.

The hon. member for Winnipeg South Centre in speaking about authority—in that instance Bourinot—quoted from Bourinot's fourth edition which was published in 1916. He did say that in a footnote Bourinot stated since 1885 there had been several instances. By "several instances" I do not think he meant any more than four or five.

In 1885, as recorded in columns 1509 and 1510 of *Hansard*, there was an instance of an appeal from a decision made by the chairman of the committee of the whole where this matter of appeal, as to whether it is to the house or to the Speaker, was debated, and Mr. Blake indicated as follows:

That reference is not to this appeal. This appeal is one to the house, not to the Speaker. I know it is competent to move that the committee rise with a view of obtaining the opinion of the highest

authority on a point of order. It is in the discretion of the Speaker to give an opinion or not. I remember an instance in which a committee rose with a view to obtaining the opinion of the Speaker, but the Speaker declined to give an opinion, and the house went back into committee.

Later on in the debate Mr. Blake again said:

I maintain there is no right on the part of any member of this committee to propose an appeal to the Speaker; there is no appeal to the Speaker under our rules. The appeal is to the house, just as the appeal from the Speaker's decision is to the house. But when the committee desires, as it may well desire to get the opinion of the Speaker upon any point, it has been ruled, and it is competent to the committee to pass a motion in order that the chairman may report that fact to the Speaker, therefore, our appeal under the rule is not to the gentleman who occupies the chair at all; it is to the House of Commons, just as the appeal from the Speaker himself is to the House of Commons, you occupy in that regard no inferior position to the Speaker himself. You are not a subordinate officer whose decision is subject to appeal at all.

He was referring, of course, to the chairman.

Your appeal is subject to the same appeal as that of the Speaker himself. But there is a practice, not of an appeal to the Speaker, but of a case in which the committee finding that they wished to report, or that the chairman has a doubt in his mind, and that it was desirable to get the opinion of the highest authority, then the committee report progress in order that the Speaker may deliver his decision.

Following 1885 there was an instance in 1903 and another in 1908. These two instances appear in the *Journals;* page 467 for August 3, 1903 and page 433 for May 8, 1908.

In 1911 the chairman made a ruling and Mr. Pugsley then appealed to the Speaker from his ruling. I quote now from *Hansard,* volume II, 1911-12, dated February 22, in column 3616. Mr. Speaker resumed the chair and said:

Mr. Speaker: The question before the house is, shall the ruling of the Chair be sustained?

Mr. Pugsley: I would like to explain to Your Honour—

Mr. Speaker: It is not open to debate. Those in favour of sustaining the ruling of the chair will please say "Aye".

Those opposed will please say "No".

I declare the ruling of the Chair is sustained.

Mr. Pugsley: Before you leave the chair would you allow me to say that there has been no appeal made to the house, but an appeal to Your Honour under the rules.

Mr. Speaker: Order. The appeal is to the house, not to the Chair.

Mr. Pugsley: I made no appeal to the house. Before you leave the chair—

Mr. Speaker: I cannot permit discussion, because the rules strictly forbid it.

I think I have quoted enough to indicate that although there is merit in the point advanced by the hon. member for Winnipeg South Centre, the point he raises is one of academic interest.

Some hon. Members: No, no.

Mr. Speaker: I say it is one of academic interest, but at this moment the report I have is that a ruling made by the chairman of the committee has been appealed by the hon. member for Winnipeg North Centre (Mr. Knowles). Therefore I come back to citation 428 of Beauchesne's third edition, and I repeat it:

From the chairman's decision no appeal should be made to the Speaker.

In the case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the house in the language reported to him and put the question. "That the decision of the chairman be confirmed". No discussion is allowed on the appeal.

That is the situation as I see it, and now that the report has been placed before the house I suppose I will have to ask shall the chairman's report—

Mr. Churchill: Mr. Speaker, may I just ask if you are ruling on the point of order I raised?

Some hon. Members: Order.

An hon. Member: Read *Hansard.*

Mr. Churchill: I consider it a matter of very practical importance.

Mr. Speaker: Of course the hon. member for Winnipeg South Centre rose to submit a subject to the Chair and at the time he did that he said, "May I rise on a point of order?" or "Will you listen to a point of order?" or something to that effect.

I could not conceive at that time what point of order could be raised on a report submitted to the house by the chairman of the committee on an appeal. The appeal under our rules is provided as an absolute right. In committee of the whole when the chairman makes a ruling hon. members have an absolute right to appeal to the house, and it is in the exercise of that right that I am called upon to perform this function of submitting the report of the committee to the house.

Mr. Churchill: Mr. Speaker, would you please give me an opportunity to ask for an explanation? When we rose at six o'clock I understood you to say that you would give your ruling on the point of order which I had raised when we resumed at eight o'clock. I think that is what we were expecting and I think that is what should be given to the house on this occasion, a definite ruling on the point of order which I raised.

Mr. Speaker: I do not know what the hon. member thinks I have been saying since the previous vote was taken. I did give my

ruling, and I did say that I had reverted to the position which was the only one for me to take and which is founded on citation 428 of Beauchesne's third edition, which reads:

From the chairman's decision no appeal should be made to the Speaker. In case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided.

That has been done.

The Speaker must then submit the matter to the determination of the house in the language reported to him and put the question.

So in the execution of that "must" I understand it to be my duty at the moment to put the question: Shall the chairman's ruling be sustained? Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Fulton: On a point of order.

An hon. Member: Sit down.

Mr. Speaker: Order. Those who are opposed will please say nay.

Some hon. Members: No. no.

Mr. Churchill: Mr. Speaker, are you asking for the yeas and nays on your ruling on my point of order?

Mr. Speaker: Would the hon. gentleman be kind enough to resume his seat. If he has any remarks to make I shall be glad to resume my seat and listen to him.

Some hon. Members: Oh, oh.

Mr. Churchill: Mr. Speaker, I raised a point of order which I think is fundamental to the procedure in this house with regard to appealing from the committee of the whole to the house. I suggested to you that the practice of the house in the past followed two courses, first counsel or advice by the Speaker as to the ruling made in the committee of the whole house and, second, the vote or putting the question to the house with regard to the chairman's ruling.

Mr. Speaker: I have listened to the hon. member's point most reverently and I think I have answered it. I think I understand the point.

Mr. Churchill: I am appealing from your ruling on that point of order.

Mr. Speaker: The hon. member has said so, and I understood that was what he intended to do. What he does not understand is that in my view there is no appeal at this moment. I do not want this to be taken as a precedent in the future, but it is my considered opinion that on the matter raised by the hon. member for Winnipeg South Centre at this stage there is no appeal. That is my opinion. I have thought this over most carefully during the dinner recess that there should not be any appeal at this moment when it is my duty to take the report of the chairman of the committee and submit it to the house.

An hon. Member: Do that.

Mr. Speaker: However, I am sure we will advance much better if I allow the appeal, but I repeat that I do not want this to be taken as a precedent. The hon. member is appealing the ruling I have made?

Mr. Churchill: I appeal your ruling.

Mr. Speaker: Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker put the question as follows:

The question is on the following matter. Upon the receiving of a report from the chairman of the committee of the whole on Bill No. 298, Mr. Churchill raised a point of order to the effect that the decision of the chairman should be subject to review by the Speaker.

I ruled that in accordance with standing order 59 (4) the appeal contained in the report received from the chairman was not to the Speaker but to the house. Whereupon Mr. Churchill appealed from the ruling of the Chair.

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:

Anderson	Carter
Arsenault	Cauchon
Ashbourne	Cavers
Batten	Clark
Benidickson	Cloutier
Bennett	Crestohl
Blackmore	Dechene
Blanchette	Decore
Boisvert	Deschatelets
Bonnier	Deslieres
Boucher	Dickey
Bourget	Dumas
Bourque	Dupuis
Breton	Eudes
Brisson	Eyre
Brown (Essex West)	Fairey
Bruneau	Follwell
Buchanan	Fontaine
Byrne	Forgie
Cameron (High Park)	Fraser (St. John's East)
Campney	Garland
Cannon	Gauthier (Lake St. John)
Caron	Gauthier (Nickel Belt)
Carrick	Gauthier (Portneuf)

Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Yuill—152.

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (York West)
Harkness
Hees
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—57.

Mr. Speaker: I declare—

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker—

(Text):

Mr. Speaker: Will the hon. member be good enough to give the Speaker a chance to declare the result of the division that has taken place?

Mr. Dufresne: I am sorry. I thought you were through.

An hon. Member: You are through.

Mr. Speaker: I declare the Speaker's ruling sustained.

(Translation):

Mr. Dufresne: Mr. Speaker, I move, seconded by the hon. member for Spadina (Mr. Rea):

That the house do now adjourn.

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

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Yea.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

(Text):

Mr. Weir: Mr. Speaker, our members are in the house and are prepared to take the vote right now.

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

YEAS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (York West)
Harkness
Hees
Herridge
Jones
Knight

Northern Ontario Pipe Line Corporation

Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pearkes
Perron
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—54.

NAYS

Messrs:

Anderson
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Yuill—153.

Mr. Speaker: The question is now, shall we—

PRIVILEGE

MR. CAMERON (NANAIMO)—REFERENCE TO LETTERS IN OTTAWA "JOURNAL" OF MAY 30 AND 31

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I rise on a question of privilege. You will recall, sir, that some time ago I brought to your attention an attack upon Your Honour which appeared in a Montreal paper. You made an appeal at that time for some action to be taken on the matter. Since no action has been taken, it appears to have encouraged others to commit the same offence. I should like to call your attention to a letter which appears in the Ottawa *Journal* of Wednesday, May 30, of this year, which is headed, I presume by the editor of the paper, "They Will Pay". It reads as follows:

Sirs:

On May 15 Canada was sold "down the river" and democracy went with her, perhaps forever. This colossus of a government however, does not fear any adverse fate because it knows, as past elections have proved, that Canadians are incapable of moral indignation.

Mr. Speaker: Order. May I ask the hon. member whether it is his intention to make a complaint against the newspaper?

Mr. Cameron (Nanaimo): I am calling it to your attention and to the attention of the house for some action in the matter.

Mr. Speaker: Is the hon. member himself going to take any action in this matter?

Mr. Cameron (Nanaimo): I am taking action now, sir.

Mr. Speaker: If the hon. member wishes to take action in the matter he will be good enough to proceed, but he is not going to raise the matter as a question of privilege merely to delay the proceedings.

Mr. Nowlan: Perish the thought!

Mr. Cameron (Nanaimo): I presume some kind of action must be placed on the order paper with regard—

Mr. Speaker: No. If the hon. member complains about a newspaper, the procedure is to send the newspaper to the Clerk so he can read it and it will be inserted in the *Votes and Proceedings*, and he must conclude with a motion that the content of the article is of a malicious intent, in contempt of parliament and a breach of privilege and therefore deserves the censure of this house.

Mr. Cameron (Nanaimo): My proper order is to send this to the Clerk of the house now, is it?

Mr. Speaker: Provided that the hon. member wishes to go through with the motion I have indicated.

Mr. Cameron (Nanaimo): I have called this to the attention of Your Honour and—

Mr. Speaker: Order. The hon. member must understand that if he wishes to make a complaint against a newspaper he must, on a question of privilege, do it in the proper manner, and that is not to stand up only and call it to my attention, but to send the paper to the Clerk who will stand up and read the paragraph complained of, which will be inserted in the *Votes and Proceedings*; and the hon. member must conclude his question with a motion stating that the article complained of is in breach of privilege and deserves the censure of this house.

Mr. Cameron (Nanaimo): Yes, I will do that. Do I sent this to the Clerk now, Your Honour? Do I read it first?

Mr. Speaker: The hon. member was going to indicate what is the paragraph he is complaining of.

Mr. Cameron (Nanaimo): It is the whole letter.

On May 15 Canada was sold "down the river" and democracy went with her, perhaps forever.

Some hon. Members: Order.

Mr. Cameron (Nanaimo): I continue:

This colossus of a government, however, does not fear any adverse fate because it knows, as past elections have proved, that Canadians are incapable of moral indignation.

There is no scandal big enough to shock the Canadian people. Shackled by an inertia sedulously cultivated by a wartime government, transfixed by their T.V., captivated by their comics, eager only for their monthly baby bonus (soothing syrup divine), they are completely indifferent to the political scene and the methods employed by their rulers.

It means nothing to them that debate in the house has long been a farce, with the cat-calls and jeers of the Liberals, and the systematic garroting of the opposition by Mr. Speaker, making a mockery of this democracy for which so many of their fathers have died. They cannot see that for this they will pay, and in coinage even more bitter than that just minted on parliament hill.

Marjorie Le Lacheur,
Marlborough Avenue,
Ottawa, May 27, 1956.

Then, sir, I have another instance of the same offence which appears in the issue of the Ottawa *Journal* of today, in a letter signed by Eugene Forsey, 3 Lakeview Terrace, Ottawa, dated May 28, 1956:

Sirs:—Amid the many extraordinary features of the recent proceedings on the pipe-line bill not the least extraordinary is one that seems to have passed almost unnoticed—the strange conception of the purpose of the rules of the house, and the functions of the Speaker, suggested by two rhetorical questions asked by the present Speaker.

The first question was on May 14. Mr. Knowles was pointing out that in 1927 Mr. Dunning had used a certain procedure which required the unanimous consent of the house. The Speaker interrupted him: "Would the hon. member be good enough to say what the minister could have done if the answer to his request for unanimous consent had been 'no'?" (*Hansard*, p. 3849)

Mr. Knowles replied by asking "whether that is a good question". This is a classic of understatement. It was a fantastically irrelevant and improper question. What the minister could have done if the rules of the house prevented him from taking the step he wanted to take is the minister's problem, not the Speaker's. It is, or should be, wholly outside the range of that officer's consideration.

The second question came on May 23. Mr. Fulton had moved a motion to give certain instructions to the committee of the whole. The Speaker ruled that such a motion could properly be moved at this particular point, but that Mr. Fulton's motion was out of order for other reasons. Mr. Knowles then moved a second motion of the same kind. The Speaker admitted his right to do so. But he asked, rather plaintively (p. 4260), "How long am I going to act as if the Minister of Trade and Commerce should not have his motion put forward from the chair and therefore should not be recognized at all, so as to give how many hon. members the chance to move many intervening motions in the meantime?"

The answer is, of course, "Forever, if the motions are in order; not one minute if they are not". What other answer can there be? The rules are there. It is the Speaker's duty to enforce them and let the chips fall where they may. If this prevents the government from doing what it wants to do, it is just too bad for the government, but it is or should be a matter of complete indifference to the Speaker. If the rules are defective then the house can change them. Till it does the Speaker must enforce them as they are. He has no choice, unless he is to be recreant to his duty and his trust. As Mr. Knowles put it (p. 4260), "If one motion of instruction is in order at this particular time, inconvenient though it may be to my hon. friends opposite, literally any number of such motions may be made provided they meet the conditions that you yourself have laid down".

The Speaker seems to have been genuinely surprised by this. "Am I", he asked, "going to delay the proposal of the motion of the Minister of Trade and Commerce if there are four, five, six or seven motions for instructions?" (p. 4261). The answer is, "Yes; certainly; if they are in order, four, five, six, seven, 50; if they are not in order, none". It is as simple as that.

House of Commons

On both occasions the Speaker's words seem to imply that if the rules get seriously in the way of doing something the government very much wants done, no reasonable person can expect the government to follow them, or the Speaker to enforce them, at any rate after a certain point.

What would anyone think of a hockey referee who asked, "How long am I to allow the visiting team to score goals? How many goals must I allow them to try for before I let the home team have a chance?"

Not in such a spirit did Speaker White interpret his duty in 1896, when the Liberals blocked the remedial bill, nor Mr. Speaker Marcil in 1911, when the Conservatives blocked the reciprocity agreement, nor Mr. Speaker Sproule in 1912-13, when the Liberals blocked the naval bill for four months, till the house itself changed the rules and provided for closure.

Giving notice of closure at the very outset of a debate, before a single member except the mover had uttered a syllable, whether of support or criticism, is a shameless prostitution of the closure rule for purposes for which it was never intended (and has never before been used), an unparalleled violation of parliamentary rights, an unexampled assault upon the very citadel of free institutions. But at least it is within the letter of the rules. At least the rules themselves remain, for the protection of such vestiges of free discussion as still survive. But if the rules themselves are to be interpreted to allow only such procedure, or so many motions, as the government sees fit to put up with, then we shall indeed have said farewell, a long farewell to parliamentary government.

Eugene Forsey.

3 Lakeview Terrace,
Ottawa, May 28, 1956.

Mr. Speaker, I move that these statements in the newspaper are derogatory of the dignity of parliament and deserving of the censure of this house.

Mr. Martin: Oh, Eugene won't like that, M.J.

Mr. Speaker: Would the hon. member be kind enough to permit the Clerk to read the articles complained of?

Some hon. Members: Dispense.

Mr. Speaker: Order. While the Clerk reads the two articles complained of, would the hon. member for Nanaimo be kind enough to put his motion in writing and send it to the Chair and also indicate who is his seconder?

The Clerk: (*Reading:*)

About Closure, the Speaker, and Rights of Parliament

A Letter to the Editors of the *Journal*

Sirs:—Amid the many extraordinary features of the recent proceedings on the pipe-line bill not the least extraordinary is one that seems to have passed almost unnoticed—the strange conception of the purpose of the rules of the house, and the functions of the Speaker, suggested by two rhetorical questions asked by the present Speaker.

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Giving notice of closure at the very outset of a debate, before a single member except the mover had uttered a syllable, whether of support or criticism, is a shameless prostitution of the closure rule for purposes for which it was never intended

(and has never before been used), an unparalleled violation of parliamentary rights, an unexampled assault upon the very citadel of free institutions. But at least it is within the letter of the rules. At least the rules themselves remain, for the protection of such vestiges of free discussion as still survive. But if the rules themselves are to be interpreted to allow only such procedure, or so many motions, as the government sees fit to put up with, then we shall indeed have said farewell, a long farewell, to parliamentary government.

Eugene Forsey,
3 Lakeview Terrace,
Ottawa, May 28, 1956.

They Will Pay

Sirs:—On May 15 Canada was sold "down the river" and democracy went with her, perhaps forever. This colossus of a government, however, does not fear any adverse fate because it knows, as past elections have proved, that Canadians are incapable of moral indignation.

There is no scandal big enough to shock the Canadian people. Shackled by an inertia sedulously cultivated by a wartime government, transfixed by their T.V., captivated by their comics, eager only for their monthly baby bonus (soothing syrup divine), they are completely indifferent to the political scene and the methods employed by their rulers.

It means nothing to them that debate in the house has long been a farce, with the cat-calls and jeers of the Liberals, and the systematic garroting of the opposition by Mr. Speaker, making a mockery of this democracy for which so many of their fathers have died. They cannot see that for this they will pay, and in coinage even more bitter than that just minted on parliament hill.

Marjorie Le Lacheur,
Marlborough Avenue,
Ottawa, May 27, 1956.

Mr. Speaker: Mr. Cameron (Nanaimo), seconded by Mr. Ellis, has moved that the statements in the Ottawa *Journal* of May 30 and 31, as just read by the Clerk, are derogatory of the dignity of parliament and deserve the censure of this house.

Some hon. Members: Agreed.

Mr. Speaker: Is the house ready for the question?

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, this is a debatable motion. The letters which have been brought to your attention do raise serious issues, which issues it seems appropriate, by whatever means they are brought forward, should be under the consideration of the house. On the other hand, I think hon. members should examine these letters most carefully because in their examination I think they will find the extent to which the proceedings of this house have in large measure justified criticism of the nature of that put on the record here tonight.

Your Honour, as well as every member, must be concerned about the references to the conduct of proceedings in this house, but I submit that the statements in the last letter read, strong though they are, do not exceed the reality of what has taken place in this house. When the letter speaks of the shameless prostitution of the proceedings of the house I think those are appropriate words. They are particularly appropriate words in relation to what has taken place in this house today.

I think in considering the effect of these letters, that consideration should be given to the extent to which justification has been furnished by what did occur. It is very noticeable that hon. members opposite have not been extremely happy in their acceptance of the application of some of the rules which have been properly applied this evening in this house.

An hon. Member: Speak for yourself.

An hon. Member: Perfectly satisfied.

Mr. Drew: Do I gather that some members opposite do not think the rules were properly applied?

An hon. Member: Nobody said that.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I do raise a point of order now that the Leader of the Opposition (Mr. Drew) has made that inquiry. As I recall the situation, a short while ago Your Honour ruled that you must put the question which was submitted to you from the committee of the whole. From that ruling there was an appeal to the house and the house upheld your decision. That being the case I suggest to Your Honour that no intervening proceeding can occur, because you had in effect said that the interpretation of the rule was that you must then put the motion. If that is so then I suggest that nothing can happen until—

Mr. Rowe: You have thrown the rules away.

Mr. Speaker: The matter raised by the hon. member for Nanaimo (Mr. Cameron) is one of privilege and is one that is very serious. I had not seen the letter entitled "They Will Pay" but I had read the letter written by Mr. Eugene Forsey, in which he discusses instances in which I was myself involved. It would seem to me, however, that in a matter of this kind the thing to do, after having placed ourselves in a position where we can deal with the matter, especially since I am concerned, is to postpone the consideration of that motion.

Normally when a member brings to the attention of the house an article which concerns privilege and in which someone in the house is involved, after he has made his motion it is up to the other member involved to be heard. If hon. members care to debate this matter before I myself am heard on the

subject, I am not going to object; I am just going to let them go right ahead, but at one stage of the proceedings I want to say that I will have to be heard.

Mr. Dickey: Mr. Speaker, I move the adjournment of this debate.

Some hon. Members: You cannot do it. You have not the floor.

Mr. Speaker: The hon. member for Halifax cannot make this motion because he is not in possession of the floor at the moment.

Mr. Rowe: He will have difficulty in keeping possession of his seat.

Mr. Drew: Mr. Speaker, in considering what has been placed before the house it would be well to examine carefuly exactly what has been said. It has been read to us first of all by the hon. member who brought it forward and then by the Clerk of the house, but I say that amongst the other things that are said here there are statements which I think very properly describe the situation in this house. In examining this and considering what should be done, I think hon. members should regard the actual wording and consider how closely and how accurately they interpret the situation here. This letter says there has been, and I quote the words:

> . . . an unparalleled violation of parliamentary rights, an unexampled assault upon the very citadel of free institutions.

I subscribe to that statement without any hesitation. Certainly in examining this letter I hope no one will suggest that those words do not accurately describe what has taken place earlier and particularly what took place today.

Some hon. Members: Oh; from the opposition!

Mr. Drew: I hear hon. members opposite shouting "Shame."

Some hon. Members: No.

Mr. Drew: These are the hon. members who have supported the deliberate attempt to destroy the rights of parliament.

Some hon. Members: Oh! Hear, hear.

Mr. Drew: Yes, there has been a carefully planned—

Some hon. Members: By you.

Mr. Drew: —and deliberate attempt to destroy—

Some hon. Members: By you.

Mr. Drew: —the citadel of our free institutions. I hear hon. members saying "by you." I would point out to the hon. members that under rule 32 they are all free to debate this motion and make their comments, and I hope that each one of them will get up and try to show some justifiable grounds for the declaration—

Mr. Speaker: Order. I intervene at this moment to indicate to the Leader of the Opposition that in debating this matter one cannot go beyond what is considered privilege. In this article which I have just read it is my view that what may be called privilege in the letter written by Mrs. Marjorie Le Lacheur is the last paragraph:

> It means nothing to them that debate in the house has long been a farce, with the cat-calls and jeers of the Liberals, and the systematic garroting of the opposition by Mr. Speaker, . . .

These are the words:

> . . . and the systematic garroting of the opposition by Mr. Speaker, making a mockery of this democracy for which so many of their fathers have died.

The words that are privilege are "the systematic garroting of the opposition by Mr. Speaker." All the other words are not privilege.

Mr. Coldwell: May I ask a question on a point of order? Is that correct? Is that not more or less an attack on the house, and therefore are not hon. members entitled to discuss not only the matter of privilege regarding yourself, Your Honour, but also the privileges of the members of the house? Surely some of them may be considered by members of the house to be not only an attack on the Speaker but an attack on the privileges of members of the house, and therefore—

Mr. Speaker: I am under the impression—and I am sure the hon. member upon reflection will agree with me—that, freedom of the press being what it is, freedom of expression outside this parliament and the right of criticizing whatever takes place here being what it is, no one on a question of privilege should object to the first two paragraphs and, even in the third paragraph, no one should object to anything if there were not those few words, in which the Speaker is accused of a systematic garroting of the opposition. As far as the other paragraphs are concerned, I see no privilege at all in them.

As regards the article by Mr. Eugene Forsey, in which he writes under the title "About Closure, the Speaker, and Rights of Parliament", there may be more paragraphs there which are incriminatory, but certainly not the whole of the article. This is a matter on which perhaps I might give a ruling on a future occasion, but at this moment I would ask hon. members to consider that there is a very serious matter before this house, perhaps

much more serious than one foresees at this moment in the midst of other proceedings. I repeat the suggestion I made earlier, that this matter for the moment be adjourned.

Mr. Drew: No, Mr. Speaker; with deference, I do not believe this should be adjourned. This matter has been brought before the house, the motion that has been presented is debatable, and I think this is the proper time to discuss the material that has been brought forward. There is, after all, nothing in the rules to indicate that such a discussion of a motion of this kind should be adjourned. I was referring to certain words in the letter that has been referred to, and I feel that, with respect to any decision that may be made, it is proper that hon. members should make some comments about this.

The letters have been placed before you, and certainly it must be a matter of concern to the members to form their own judgment as to the accuracy or otherwise of the statements that are made. Otherwise they could not properly pass judgment upon what has been said here. I had quoted a certain part in regard to the assault upon the very citadel of free institutions. The letter went on to say:

> But at least it is within the letter of the rules. At least the rules themselves remain, for the protection of such vestiges of free discussion as still survive.

Now, Mr. Speaker, we have seen here tonight certain arguments being put forward.

Mr. Speaker: Order. Would the Leader of the Opposition be good enough to take into account the remark I made a moment ago, namely that remarks should be addressed only to the paragraphs which in my view are considered privileged. He cannot discuss the proceedings of today. He must address himself to the paragraphs in the documents that have been submitted that have been complained of and are considered privileged. We are not interested in any other matters.

Mr. Drew: Mr. Speaker, I would point out that it is not only Your Honour who is concerned with what is said in these letters. It is every member of this house; and the conduct of this house is quite as important as the status of any individual or anything that may be said about the performance by any individual of his duties in this house, whatever those duties may be. I am not inclined to think that once matters of this kind have been placed before the house it can be said that only those things that refer to Your Honour are subjects which should be of concern to hon. members.

Mr. Speaker: Order. I say only those matters which relate to privilege, and who decides what is privilege and what is not?

Mr. Drew: Then, Mr. Speaker, I am of course dealing with the last letter that was referred to, which is published in tonight's Ottawa *Journal*, and I would refer to the comments that are made there with regard to a motion presented by the hon. member for Winnipeg North Centre (Mr. Knowles). It speaks of the fact that this motion was presented. Then the letter goes on to say:

> The Speaker admitted his right to do so. But he asked, rather plaintively (p. 4260), "How long am I going to act as if the Minister of Trade and Commerce should not have his motion put forward from the chair and therefore should not be recognized at all, so as to give how many hon. members the chance to move many intervening motions in the meantime?"
>
> The answer is, of course, "Forever, if the motions are in order; not one minute if they are not." What other answer can there be? The rules are there. It is the Speaker's duty to enforce them, let the chips fall where they may. If this prevents the government from doing what it wants to do, it is just too bad for the government, but it is or should be a matter of complete indifference to the Speaker. If the rules are defective then the house can change them. Till it does the Speaker must enforce them as they are. He has no choice, unless he is to be recreant to his duty and his trust.

These statements, Mr. Speaker, refer as a matter of privilege to the position of Your Honour, and I should think they accurately state the position as it affects Your Honour. There can be no question about the right of any hon. member to use the rights that are available to him under the rules. In this particular case a question had been raised whether motions should be permitted, and there was some difference of opinion whether further motions could be presented. I submit that in this case what has been discussed here is a perfectly proper discussion of procedure in this house.

I think it is highly desirable that the position of Your Honour and the position of the other officials should be respected and should be positions of honour and trust. I submit, however, that it is neither improper nor an offence to this house for any member of this house to discuss the proceedings in the house in the way in which they have been discussed here, and I think what has been said can well be repeated.

> If the rules are defective then the house can change them. Till it does the Speaker must enforce them as they are. He has no choice, unless he is to be recreant to his duty and his trust.

In view of those words, which I believe correctly set forth the situation, I must admit that I do not see how it would be reasonable for the hon. members of this house to condemn a letter such as the one to which I am

referring, no matter what may be the purpose of any hon. member who brings forward a motion of this kind. I must say that I think the letter written to the *Journal* by Mr. Eugene Forsey and published in tonight's edition is an excellent letter summing up this situation as well as it has been summed up.

Some hon. Members: Oh, oh!

Mr. Habel: A foe becomes a friend.

Mr. Drew: I am sorry, I did not hear what the hon. member said.

Mr. Habel: A foe becomes a friend.

Mr. Drew: There must be some cloud in the sound. I cannot hear well.

Mr. Habel: You have mentioned a name and asked a question.

Mr. Drew: I am anxious to hear what the hon. member said.

Mr. Habel: You have mentioned the name of Mr. Forsey. I say that a former foe becomes a friend of yours.

Mr. Drew: Oh.

Mr. Rowe: We have a lot of your friends coming to us now. You are losing them every day.

Mr. Drew: Mr. Speaker, I have never hesitated to express my admiration for anything that has been done by those who may be opposed to me politically when I have believed they were worthy of commendation. Mr. Eugene Forsey was an opponent of mine in a by-election in Carleton, but that does not prevent me from expressing my approval of what he has said in the letter published in tonight's *Journal* and saying that I heartily concur in the general comments in that letter.

As it is now ten o'clock, Mr. Speaker, I move the adjournment of the debate.

On motion of Mr. Drew the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with the pipe-line debate tomorrow, sir.

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

ANSWERS TO QUESTIONS

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

LIGHTHOUSES, NOVA SCOTIA—AUTOMATIC EQUIPMENT

Question No. 484—**Mr. Lusby:**

1. How many lighthouses in the province of Nova Scotia have been changed to automatic lighting equipment in the last five calendar years?
2. Of these, how many are situated in the constituency of Cumberland?
3. What is the estimated total saving in operating expenses in each of these years effected by the change?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1. 36.
2. 2.
3.

1951	$ 6,030
1952	11,176
1953	11,904
1954	11,904
1955	15,064

D.E.W. LINE—TRANSPORT CONTRACTS

Question No. 491—**Mr. McCullough (Moose Mountain):**

1. How many air freight or air transport companies have had contracts in connection with the D.E.W. line?
2. How many of these companies are of (a) Canadian registry; (b) United States of America registry?
3. What is the dollar value of such contracts handled by (a) Canadian aircraft; (b) United States of America aircraft?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1, 2 and 3. Contracts to Canadian companies for the airlift on the D.E.W. line project were not awarded by the Canadian government and, therefore, the department is not in a position to provide the information requested.

D.E.W. LINE—CERTIFICATES OF AIRWORTHINESS

Question No. 492—**Mr. Stewart (Winnipeg North):**

1. How many aircraft engaged in D.E.W. line operations received certificates of airworthiness?
2. What was the age of each plane?
3. What was the type or make of each plane?
4. What was the maximum permissible load for each plane?
5. Was there any supervision of such loading?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

Questions

1. All civil aircraft operating in Canada are required to have certificates of airworthiness.

2 and 3. Carriers are understood to have used many different types of planes at different times on the D.E.W. line and these planes are not directly identifiable as D.E.W. line aircraft. It is understood, however, that the following types have been used:—Avro Anson V, Avro York, Bristol 170 Mk.31, Cessna 180, Cessna 195, Consolidated PBY, Curtiss C46, Douglas DC3, Douglas DC4, deHavilland DHC2 (Beaver), Noorduyn Norseman UC64A. Ages would vary from new aircraft to aircraft up to 15 years.

4. The empty and all-up weights of the foregoing types are as follows:

	Weight light	All-up	
Anson V	7,059	9,460	
Avro York	39,883	68,000	(Take-off)
		65,000	(Landing)
Bristol 170 Mk. 31	28,935	44,000	
Cessna 180	1,548	2,550	(Landplane)
Cessna 195	2,292	3,350	
Consolidated PBY	20,456	30,400	(Take-off)
		28,000	(Landing)
Curtiss C46	30,051	45,300	(Passenger)
		48,000	(Cargo)
Douglas DC3	19,647	26,200	(Take-off)
		26,000	(Landing)
Douglas DC4	48,115	80,200	(Take-off)
		70,000	(Landing)
DHC2 (Beaver)	3,092 (Land)	5,100	
	3,380 (Seaplane)	5,090	
	3,319 (Skiplane)	5,100	
Noorduyn Norseman UC64A	4,765	7,400	(Landplane)

A small variation exists between the weights of individual aircraft and a further variation in the maximum permissible weight according to the engineering specification and the operational factors.

5. The Department of Transport holds the operator of the aircraft, including the pilot in command, responsible for proper loading procedures in accordance with the certificate of airworthiness, and for appropriate supervision.

Questions

INDIAN AFFAIRS—PERMANENT STAFF STATISTICS

Question No. 504—**Mr. Rea:**

1. What percentage of the permanent staff of the Indian affairs branch of the Department of Citizenship and Immigration consists of armed forces personnel?

2. What percentage of the permanent staff of the said branch consists of retired military personnel?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

1. Nil.

2. Complete information is not available to the department.

HOUSE OF COMMONS

Friday, June 1, 1956

The house met at eleven o'clock.

HOUSE OF COMMONS

MR. SPEAKER—RULING ON MOTION OF HON. MEMBER FOR NANAIMO

On the order:

Resuming the adjourned debate on the motion of Mr. Cameron (Nanaimo), that the statements in the Ottawa *Journal* of May 30 and May 31 are derogatory of the dignity of parliament and deserving of the censure of this house.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker,—

Mr. Speaker: Usually the deputy clerk reads the order, but I rise at this moment in order to deal with this order which appears under "Motions" as follows:

Resuming the adjourned debate on the motion of Mr. Cameron (Nanaimo), that the statements in the Ottawa *Journal* of May 30 and 31 are derogatory of the dignity of parliament and deserving of the censure of this house.

I have read carefully the articles complained of and I have come to the conclusion that because of the unprecedented circumstances surrounding this pipe-line debate and because of the remarks that were made in this house by members themselves, it was and it is impossible, if we are to consider freedom of the press as we should, to take these two articles as being breaches of our privileges. It is my opinion that if it had not been for some of the insinuations or attacks directed perhaps to one another or the Chair or to the occupants of the chair, these articles may not have been written. I think we should settle our problems among ourselves and that those who outside of this house, either in editorial comment or by letters to the editor, write what I consider to be—and this is the case of these two articles—comments which do not go beyond the bounds of unfairness, I think they should be allowed. Therefore, I rule the motion made by the hon. member for Nanaimo out of order. Do hon. members wish to appeal?

Mr. Drew: Are you prepared to hear any discussion on that, because—

Mr. Speaker: No.

Mr. Drew: —we had proceeded with discussion on this motion.

Mr. Speaker: It is a matter of privilege. Whether it is privilege or not, it is my responsibility to decide. Does the hon. gentleman appeal my ruling?

Mr. Drew: Is it not possible to say something, Mr. Speaker?

Mr. Speaker: Order. Does the hon. gentleman appeal my ruling?

Mr. Drew: Mr. Speaker, I appeal your ruling but I also suggest that you should accept this motion.

Mr. Speaker: The Leader of the Opposition cannot go beyond appealing my ruling.

An hon. Member: Dictatorship.

Mr. Speaker: Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it; call in the members.

And during the calling in of the members:

Mr. Drew: Mr. Speaker, are you not going to hear a question of privilege?

Some hon. Members: Sit down.

Mr. Coldwell: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Coldwell: Mr. Speaker, may I draw this to your attention—

Some hon. Members: Sit down.

Mr. Coldwell: Mr. Speaker, may I respectfully draw this to your attention, that you directed the hon. member for Nanaimo (Mr. Cameron) to make that motion.

Some hon. Members: Hear, hear.

Mr. Coldwell: Therefore, Mr. Speaker, I protest against your ruling.

Mr. Speaker: There cannot be any debate at this moment. The bells are ringing and the members are being called in.

Some hon. Members: Sit down.

Mr. Drew: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Drew: Mr. Speaker, the rights of parliament are more important than the bells. You drafted this motion, Mr. Speaker. You accepted the motion and the motion is now in the possession of the house and you have no right to hear anything that interferes with the discussion.

Mr. Coldwell: Mr. Speaker, I want to draw your attention—

Some hon. Members: Sit down.

Mr. McCann: Get back in your seat.

Mr. Ellis: Keep quiet over there.

Mr. Coldwell: —to the statement of Mr. Speaker Lenthall: "I am the servant of the house."

Some hon. Members: Hear, hear.

An hon. Member: Dictatorship.

Mr. Stewart (Winnipeg North): Why don't you throw away the mace?

Mr. Diefenbaker: Mr. Speaker, may I draw your attention—

Some hon. Members: Sit down.

Mr. Diefenbaker: Mr. Speaker, may I draw your attention to your own words last night, reported at page 4532 of *Hansard*—

Some hon. Members: Order.

Mr. Diefenbaker: Why did you change overnight? What is the reason that you changed overnight? Are you afraid today?

Mr. Rowe: What took place in the dark?

Mr. Gauthier (Portneuf): You are a very good actor; you should be on the stage.

Mr. Rowe: You would probably close the stage.

Mr. Speaker put the question as follows:

On the order under Motions, "Resuming the adjourned debate on the motion of Mr. Cameron (Nanaimo), that the statements in the Ottawa *Journal* of May 30 and 31 are derogatory of the dignity of parliament and deserving of the censure of this house," being called, I ruled that the motion of the hon. member for Nanaimo was out of order since in my opinion the statements in the Ottawa *Journal* must be construed as fair and reasonable comment on the house and its proceedings.

Mr. Stewart (Winnipeg North): "Garrotting parliament." Is that fair?

Mr. Speaker:

Whereupon Mr. Drew appealed to the house from the ruling I gave.

Mr. Bell: No wonder they hang their heads in shame.

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:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
Winters
Yuill—140.

NAYS

Messrs:

Balcer	Knowles
Bell	Lennard
Blair	MacLean
Brooks	McBain
Bryce	McCullough (Moose Mountain)
Cameron (Nanaimo)	McGregor
Casselman	Michener
Castleden	Mitchell (London)
Charlton	Monteith
Churchill	Nesbitt
Coldwell	Nicholson
Diefenbaker	Nowlan
Dinsdale	Pearkes
Drew	Rea
Ellis	Robinson (Bruce)
Fairclough, Mrs.	Rowe
Ferguson	Small
Fleming	Stanton
Fulton	Stewart (Winnipeg North)
Green	Tustin
Hamilton (York West)	White (Hastings-Frontenac)
Hees	White (Middlesex East)
Herridge	Winch
Hodgson	Zaplitny—51.
Johnson (Kindersley)	
Jones	
Knight	

During the taking of the vote:

Mr. Hees: Mr. Speaker, I am voting against the dictatorship which you have imposed on parliament.

Some hon. Members: Sit down.

After the taking of the vote:

Mr. Speaker: I declare the Speaker's ruling sustained.

BUSINESS OF THE HOUSE

MOTION THAT THE HOUSE DO NOW ADJOURN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I move, seconded by the hon. member for Saskatoon (Mr. Knight):

That the house do now adjourn.

An hon. Member: For obvious reasons.

Mr. Knowles: It should read that the house be dissolved.

An hon. Member: That is making a farce of parliament.

Mr. Stewart (Winnipeg North): You made a farce of it.

Mr. Speaker: Order.

Mr. Fleming: Leave the matter to the people.

Mr. Speaker: It is obvious that in this house there are feelings that are perhaps extraordinary. There is perhaps much more than what one would call the ordinary opposition to what may take place. I think there is perhaps on the part of some hon. members what I may term anger.

Mr. Drew: There is.

Business of the House

Mr. Speaker: I want to tell hon. members that I know what my responsibilities are and that I am fully conscious of every step that I am taking.

An hon. Member: I wonder.

Mr. Speaker: I am prepared to take the responsibility before this house and the country for what I do. Hon. members know that it is within my jurisdiction—indeed it is my duty—to make a ruling whenever I consider that I must make one. The right of hon. members is to appeal a ruling. Once the appeal has been made, the house has decided. If hon. members feel that in the performance of my duty my conduct should be criticized they also know, as do I, that before six o'clock tonight they can put on the order paper a notice—48 hours' notice—of a substantive motion which I am sure will be brought up after the 48 hours have expired.

These days are not easy ones. On the one hand hon. members who favour a measure were in committee of the whole yesterday. An appeal has been made with respect to the chairman's ruling. I was called back to the chair merely to put the report of the chairman to the house. What happened? The hon. member for Winnipeg South Centre (Mr. Churchill) asked me "Will you listen to a point of order?" The point of order was completely outside the matter which was the subject matter of the report and, in addition, that report was itself a matter of order. It was an appeal by the hon. member for Winnipeg North Centre (Mr. Knowles) to the house on the chairman's ruling. I was requested not to conclude my ruling at six o'clock but to do it at eight o'clock. As soon as I took the chair at eight o'clock and was about to conclude my ruling there was a motion made to adjourn the house. Then, other proceedings took place and at ten o'clock the house had not yet acted upon the chairman's report of an appeal made by the hon. member for Winnipeg North Centre, which is a right provided under our rules. Today we meet; I make a ruling.

Mr. Fleming: Without hearing any argument.

Mr. Speaker: That it should be met with criticism, or even with sincere feelings perhaps of indignation, is the privilege of hon. members. But the ruling on the appeal was submitted to the house. Now, the hon. member for Winnipeg North Centre is moving that the house do now adjourn.

Some hon. Members: Hear, hear.

Mr. Speaker: I said earlier that I am prepared to take full responsibility before this house and before the country for what I am doing. I consider—and I have thought very

seriously about this—that yesterday around 5.15, when I was called back to the chair for the purpose of receiving the chairman's report, I made a very serious mistake in allowing the point of order and the other dilatory motions; and I feel that the house should not suffer any prejudice or detriment on my account. I want to say this to hon. members—it has been said very often—the rules of this house are devised in order to protect the minorities; yes, they are. But I will add the counterpart to that. I will say—and the authorities support me in this—that the rules of this house are devised to protect minorities against the oppression of the majority and the majority against obstruction by the minority.

Now, the house is master of its own rules and it is my right to submit a matter to the house. I intend at the moment to submit to the house that, in my view, the house should revert to the position where it was yesterday when I was brought back to the chair to receive the chairman's report at 5.15. I submit to the house that the intervening proceedings should not be superseded, and it is up to the house to decide as to the situation which I take at the moment.

Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Fleming: Mr. Speaker—

Mr. Drew: I am rising on a question of privilege.

Mr. Coldwell: What are you doing, Mr. Speaker?

Mr. Fleming: On a point of order—

Mr. Drew: On a question of privilege, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Drew: —I move, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

That in view of the unprecedented action of Mr. Speaker in improperly reversing his own decision without notice and without giving any opportunity for discussion, this house resolves that it no longer has any confidence in its presiding officer.

Mr. Speaker: The Leader of the Opposition understands, of course, that this is a motion which must go on the order paper and receive 48 hours' notice.

The hon. member for Winnipeg North Centre.

Mr. Drew: With consent, this could very properly be discussed now because the motion is now before the house.

Mr. Speaker: Order. The hon. member for Winnipeg North Centre.

[Mr. Speaker.]

Mr. Knowles: I rise on a point of order. My point of order is that the question as to whether or not a motion to adjourn the house is in order at any time has been settled by yourself. As you know, I relied on a previous occasion on standing order 2, but—

Mr. Speaker: Order. I know what—

Mr. Knowles: Standing order 25 makes it clear. In addition, you said last Monday that it is always in order—

Mr. Speaker: I know what the hon. member says with respect to this motion is correct. I have indicated to the house I feel that the house should not suffer any prejudice for what I consider to be a serious mistake which I made yesterday. I say that the house is master of its own procedure. No one should contradict that; everybody knows that that is so, and it is my right to submit a matter to the house and that is what I propose to do.

Mr. Knowles: Mr. Speaker, on the point of order, there is a lot of heat around here and I am absorbing some of it. I will try to speak calmly upon the matter. My point of order is, if you take the position, on your responsibility, that my motion to adjourn the house should not be put, you have to take the responsibility for ruling that motion out of order. Whatever you may feel about any mistakes you made yesterday, the fact is that this is a new day and we are now on the order for motions. We cannot jump from motions to the position in which we found ourselves yesterday at five o'clock, or in the committee of the whole, without first reaching the orders of the day. That could not be done unless some motion were made, and I have no doubt there are those on the other side who would make it at the appropriate time. In the meantime, there is before the house a motion duly made and duly seconded, namely my motion to adjourn the house. Should you in your wisdom and on your own responsibility decide to go back on your own precise statement of last Monday and rule it out of order, that is your privilege, but it is also my privilege to appeal your ruling, if you so rule.

Mr. Speaker: I will say this to the hon. member. I will agree with him that his motion was made before I had indicated my position, and I will allow his appeal and submit it to the house.

Mr. Knowles: Mr. Speaker,—

Mr. Rowe: Can you not let him state his point of order?

Mr. Knowles: Before I make the appeal may I just say this further word? In the statement you made, sir, shortly after I made my motion, you indicated that there might be strong feelings in the house, including some feelings of anger. I am able to hold my temper fairly well, as I think most hon. members will recognize; but I admit that I did get some feeling of anger earlier today when, with citation 216 of Beauchesne, third edition, before me I realized what was happening. Citation 216 of Beauchesne, third edition, reads as—

Mr. Speaker: May I ask the hon. member not to go beyond the matter?

An hon. Member: He is on a point of order.

Mr. Speaker: Either we have a motion to adjourn before the house or we have not.

Mr. Knowles: We have a point of order.

Mr. Speaker: It has to do with the motion to adjourn.

Some hon. Members: A point of order.

Mr. Speaker: I will accept the motion to adjourn. I have said I will accept the hon. member's motion to adjourn.

Mr. Rowe: You ruled it out of order.

Mr. Knowles: Mr. Speaker, I am finding it difficult to keep up with Your Honour's decisions. First you say, "yes", and then you say "no". Now you are saying, "yes, it is in order".

Mr. Hees: He is saying "maybe".

Mr. Speaker: I indicated that to the hon. member a moment ago; I said it may be that I had not taken the floor to state the position which I intended to put to the house before the hon. member had moved his motion, in which case the hon. member's motion came before I stated my position, and I said that I would accept the motion.

Those who are in favour of the motion to adjourn the house by the hon. member for Winnipeg North Centre will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (York West)
Hees
Herridge
Hodgson
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pearkes
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—51.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois

Legare	Quelch
Lesage	Ratelle
Low	Reinke
Lusby	Richard (Ottawa East)
MacDougall	Richard (St. Maurice-Lafleche)
MacEachen	Richardson
MacKenzie	Roberge
MacNaught	Robertson
Macnaughton	Robichaud
McCann	Robinson (Simcoe East)
McCubbin	Rochefort
McCulloch (Pictou)	Ross
McIlraith	Rouleau
McIvor	St. Laurent (Quebec East)
McMillan	Schneider
McWilliam	Shipley, Mrs.
Mang	Simmons
Marler	Smith (Battle River-Camrose)
Masse	Stick
Matheson	Stuart (Charlotte)
Michaud	Thibault
Mitchell (Sudbury)	Thomas
Monette	Tucker
Murphy (Westmorland)	Viau
Nickle	Villeneuve
Pearson	Weaver
Philpott	Weir
Pickersgill	Weselak
Pinard	Winters
Pommer	Yuill—143.
Power (Quebec South)	
Prudham	
Purdy	

Mr. Speaker: I declare the motion lost.

Mr. Fleming: Mr. Speaker, I rise on a point of order. I take it from what you said prior to putting the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) that you now propose to put to the house the appeal taken from the ruling of the chairman of the committee of the whole yesterday afternoon, because my point of order relates to that proceeding.

Mr. Speaker: I did not intend to do that at the moment; the hon. member is ahead of me.

Mr. Fleming: Perhaps I can stake out a claim.

Mr. Speaker: What I intend to put to the house is that in neglecting—

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: I understand that the hon. member is rising on a question of privilege, but at the moment he did so I was on my feet and in possession of the floor. What I intend to submit to the house is that in neglecting to submit at once to the house yesterday the report of the chairman of the committee on an appeal from his ruling by the hon. member for Winnipeg North Centre (Mr. Knowles) I made a serious mistake and the house should not suffer any prejudice or detriment on my account, and that the house, which is master of its own proceedings, should be placed exactly in the same position as it was when I resumed the chair yesterday to submit the chairman's ruling to the house. It is this action that I submit to the judgment of the house.

Mr. Drew: Why not last Friday?

Mr. Knowles: Mr. Speaker, on a point of order, I submit that at this moment we are not in the proceedings of Thursday, May 31, but in the proceedings of Friday, June 1. We have reached the item on the order paper entitled "Motions" and are still there according to standing order 15. That standing order is quite clear. It reads:

> (2) The ordinary daily routine of business in the house shall be as follows:
> Presenting reports by standing and special committees.
> Motions.
> Introduction of bills.
> First readings of Senate public bills.
> Government notices of motions.

I submit that so long as we are on motions the only thing that can come before the house is something in the form of a motion. Unless there are other ministerial statements which are permissible under motions or unless there are other motions or points of privilege to be raised, Your Honour has to take the house on through introduction of bills—there are none on the order paper—and certainly through first readings of Senate public bills and government notices of motions, which are on the order paper.

I submit that to introduce anything at this point which is not properly under the heading of motions would not be in keeping with the provisions of standing order 15 (2). I submit therefore that if it is Your Honour's desire to deal with the kind of proposition which you read out to us a moment ago, the only possible way it could come before the house would be by virtue of a motion. That is one privilege which is denied to Your Honour; you are not in a position to make a motion.

Mr. Fleming: I submit that under those circumstances notice would be required.

Mr. Speaker: If a motion was made; but I am not submitting a motion because the hon. member for Winnipeg North Centre has indicated quite rightly that I do not make motions, but whenever a matter of order arises I may decide it subject to appeal or I may submit the matter to the judgment of the house, which is the master of its own procedure and may do whatever it pleases to carry out its wishes. It is at this juncture that I propose not to make a ruling but to submit this position to the judgment of the

house. If the house decides in favour of it, then we shall govern ourselves accordingly.

Mr. Knowles: I appeal against your right to do that, Mr. Speaker.

Mr. Fulton: Mr. Speaker, may I put this to you, that the only time at which you could have done that was during the sitting of yesterday. If Your Honour says that you have the right—and I pass no opinion on that point at the moment—to make such a submission to the house, then I submit that the only time you can make that submission is in the sitting during which the situation arises. I submit that you cannot wait for another sitting and then at another stage of the proceedings say, "I now submit to the house that we should go back to where we were at a period in yesterday's sitting", because we are not now at the same stage of proceedings, and because this is another day's sitting. Therefore, if you feel that a submission could be made, first it should have been made at yesterday's sitting; and second, if you wish to make it today I submit that you have to wait until we are at the same stage of the proceedings as we were yesterday and then make your submission. As I say, I express no opinion as to whether you can do so at all, but it is quite clear that you cannot do it at a different stage and during another day's sitting.

Mr. Speaker: Let us not pursue an argument which is not going to take us anywhere. If it is the wish and feeling of hon. members, although it is my contention that this mode of procedure is available to me in the circumstances, I shall proceed with the routine proceedings and come to the orders of the day.

Mr. Harris: Mr. Speaker, some time ago I thought you had come to this point. In fact, I have already said that I supported the proposition that you were putting before the house, and I hope that you do put it before the house for the reasons you have given.

An hon. Member: Who is going to move it?

Mr. Speaker: There are certain doubts which necessarily must be entertained because of the routine proceedings that are provided for in standing order 15. I know perfectly well that in normal circumstances we would go through routine proceedings—I am sure there is nothing here to delay and that motions will be allowed to stand—and then we come to the orders of the day. But the hon. member for Winnipeg North Centre (Mr. Knowles) and others have said, "The proposal which you submit to the house is one that you have not the right to do." I contend that I have that right, but if we are to have an eternal discussion of it I shall go through with the routine proceedings.

Mr. Knowles: Why should not the Minister of Finance make the motion that what you want to be done be the decision of the house?

PRIVILEGE

MR. CAMERON (NANAIMO)—REFERENCE TO REMARKS OF MR. SPEAKER ON MAY 31

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I am rising on a point of privilege. Last night you were good enough to instruct me as to the proper method of bringing a matter before this house.

Mr. Speaker: May I interrupt the hon. member to inform him that last evening I did not instruct him? I outlined what the procedure was if he meant to do anything with the article that he proposed to read at that time.

Mr. Cameron (Nanaimo): You were kind enough to give me your advice as to the proper method of procedure.

Some hon. Members: No.

Mr. Speaker: Order. Will the hon. gentleman be good enough to resume his seat?

Mr. Cameron (Nanaimo): Surely, sir, I have the right to make my point of privilege.

Mr. Speaker: I heard the hon. member make his point.

Mr. Rowe: He has not stated it yet.

Mr. Speaker: The hon. member has said that last night I instructed him to make a certain motion. I told him that I advised him as to what the procedure was if he meant to do anything with the article about which he complained. That is the position.

Mr. Cameron (Nanaimo): That does not alter my point of privilege, sir. You gave me your advice. I followed it meticulously, as a reading of *Hansard* of May 31 would indicate. At that time you said this to me, sir:

> If the hon. member complains about a newspaper, the procedure is to send the newspaper to the Clerk so he can read it and it will be inserted in the *Votes and Proceedings*, and he must conclude with a motion that the content of the article is of a malicious intent, in contempt of parliament and a breach of privilege and therefore deserves the censure of this house.

I then asked you this:

> My proper order is to send this to the Clerk of of the house now, is it?
>
> Mr. Speaker: Provided that the hon. member wishes to go through with the motion I have indicated.

Some hon. Members: Order.

Mr. Cameron (Nanaimo): You then stated—

Inquiries of the Ministry

Mr. Speaker: Order. Would the hon. member be good enough to come to his point of privilege?

Mr. Cameron (Nanaimo): I am coming to it, sir. I said:

> Yes, I will do that. Do I send this to the Clerk now, Your Honour? Do I read it first?

You replied:

> The hon. member was going to indicate what is the paragraph he is complaining of.

To this I replied:

> It is the whole letter.

I proceeded to read those letters and then make the following motion:

> Mr. Speaker, I move that these statements in the newspaper are derogatory of the dignity of parliament and deserving of the censure of this house.

I placed that motion in your hands in writing, properly seconded by the hon. member for Regina City. You accepted that motion at the time. The Leader of the Opposition then rose to debate that motion. At no time did you indicate that it was out of order—

Mr. Speaker: Order. The hon. member at this moment is not stating a proper question of privilege.

HOUSE OF COMMONS

ALGOMA EAST—REQUEST FOR INTERVENTION OF MINISTER IN DISPUTE

On the orders of the day:

Mr. H. O. White (Middlesex East): Before the orders of the day are called, I wish to direct a question to the hon. member for Algoma East and Secretary of State for External Affairs (Mr. Pearson). Will the Secretary of State for External Affairs extend his wise influence in regard to the hostilities now apparent in Algoma East between the government and the municipal government?

Hon. L. B. Pearson (Secretary of State for External Affairs): Yes, Mr. Speaker.

REVISION OF SALARIES OF TEMPORARY EMPLOYEES

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, referring to a question which was asked last week, I would ask the Minister of Finance if he is now able to inform the house whether the increases in salary have now been made applicable to the remaining group of employees of the House of Commons?

Hon. W. E. Harris (Minister of Finance): I regret I am not but I will try to give an answer later in the day.

[Mr. Cameron (Nanaimo).]

REQUEST FOR DISSOLUTION OF PARLIAMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister of Canada. In view of the obvious fact that the government has lost its moral authority, will the Prime Minister now dissolve parliament and call a general election?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, that is not a question that can be answered or that should be put on the orders of the day.

Mr. Fleming: Especially if it is an embarrassing one.

ST. LAWRENCE SEAWAY

CORNWALL ISLAND—INQUIRY AS TO DREDGING OF CHANNELS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Transport. Has the minister any statement to make with respect to the arguments and disagreements between the St. Lawrence seaway authority and its United States counterpart over the dredging of the St. Lawrence river around Cornwall island?

Hon. George C. Marler (Minister of Transport): A statement was issued on May 29 reading as follows:

> The Department of External Affairs announced that the question of responsibility for dredging the channels north and south of Cornwall island was thoroughly discussed at a meeting of representatives of the United States and Canadian governments in Ottawa today. The discussion will be continued between the governments and between the navigation and power entities responsible for the St. Lawrence project.

I should like to add to that statement just one word to the effect that there was no disagreement during these discussions.

[*Later:*]

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. Can the Prime Minister inform the house as to the extent of the differences of opinion between Canadian and United States authorities with regard to the dredging of the St. Lawrence seaway channel near Cornwall and also whether the government believes that the United States will agree to dredging on the north side of Cornwall island sufficient to allow for a seaway channel on the Canadian side?

Right Hon. L. S. St. Laurent (Prime Minister): That is a matter that is under negotiation with the United States authorities at the present time.

POSSIBLE DELAY DUE TO NEGOTIATIONS WITH UNITED STATES AUTHORITIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to ask a supplementary question of the Minister of Transport with respect to the St. Lawrence seaway project. Does the minister expect that the present negotiations which are going on with the corresponding United States authority will be likely to delay to any appreciable extent the opening of the seaway in 1958 or 1959?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the answer is that I do not expect that the matters under discussion will delay the opening of the seaway.

PRAIRIE FARM ASSISTANCE

SUGGESTED AMENDMENT OF ACT RESPECTING CASUAL EMPLOYMENT

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I should like to direct a question to the Minister of Agriculture or, in his absence, to his parliamentary assistant. Would the minister give consideration to amending the Prairie Farm Assistance Act regulations in such a way as to make it possible for farmers who have suffered from recurring floods in Manitoba to supplement their incomes from casual employment off the farm without losing P.F.A. benefits?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): The hon. member for Brandon-Souris was good enough to give notice of his intention to ask this question.

Under the existing P.F.A. Act and regulations casual employment off the farm is possible without interfering with P.F.A. benefits. However, full-time employment during the crop season does deprive the individual of the status of a farmer under the act and regulations.

[*Later:*]

On the orders of the day:

Mr. Dinsdale: I should like to direct a supplementary question to the parliamentary assistant to the Minister of Agriculture. I was referring to casual employment off the farm and not full-time employment off the farm. Would the parliamentary assistant give some attention to the financial difficulties faced by farmers who are working off the farm on a casual basis, because they have suffered substantial losses from flooding, in order to survive as farmers?

Mr. McCubbin: If the hon. member for Brandon-Souris has any case he would like me to investigate I will be glad to do so for him.

Inquiries of the Ministry

PIPE LINES

TRANS-CANADA PIPE LINES—PROPRIETY OF LETTING OF CONTRACTS FOR PIPE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of Trade and Commerce. Can he tell the house or produce any documentary evidence to indicate why Trans-Canada Pipe Lines Limited is placing contracts for the delivery of pipe before the house has approved the bill or approved any agreement concerning this matter? It seems to me it is a violation of the rights of this chamber that the company should act in this manner without authority. If there is any correspondence authorizing the company to do this before the house has come to a decision, will the minister please produce it since it is of interest in the pipe-line debate?

Right Hon. C. D. Howe (Minister of Trade and Commerce): There is no authority from the government. Trans-Canada desires to complete the line at the earliest date possible and on their own responsibility they have placed orders for pipe.

Mr. Coldwell: I understood the crown company was to advance the money to do this job, and we have not authorized the crown company to do anything of the kind. This house has not had the opportunity of doing it.

Mr. Howe (Port Arthur): Since the crown company is not in existence the crown company is not in a position to act and has not acted. The government has given no authority to Trans-Canada to place orders.

Mr. Knowles: Does this mean that Trans-Canada Pipe Lines Limited has taken the place of the government of Canada?

[*Later:*]

On the orders of the day:

Mr. W. M. Johnson (Kindersley): I should like to ask the Minister of Trade and Commerce a question supplementary to that of the hon. member for Rosetown-Biggar. If Trans-Canada Pipe Lines has funds so great as to be able to award a $45 million order—

Mr. Speaker: Order. May I suggest to hon. members that although I have allowed questions with respect to Trans-Canada Pipe Lines today, yesterday and on other days during this debate—

Some hon. Members: Not yesterday.

Mr. Speaker: That is right. There were none yesterday because of the superseding motion. However, I allowed questions the day before and any other day when there were questions, although it is well known that according to

our rules we should not put questions relating to a matter now before a committee of the house.

Mr. Fulton: But the government will not answer our questions when we get into committee.

Mr. Speaker: Complaints about answers to questions should not be raised as a point of order or a question of privilege.

[*Later:*]

On the orders of the day:

Mr. Claude Ellis (Regina City): I should like to direct a question to the Minister of Trade and Commerce. Would the minister explain to the house the significance of June 7 now, in view of the announcement made earlier that Trans-Canada has already placed an order for pipe?

Mr. Speaker: I have already indicated that these matters should be dealt with as soon as the house resumes in committee.

TRANS-CANADA PIPE LINES—DECISION OF FEDERAL POWER COMMISSION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to redirect a question to the Prime Minister. The other day I asked him whether or not any estimate had been secured by the government as to when it might be expected that a decision would be made by the federal power commission of the United States on the application of the Midwestern Gas Transmission Company. At that time the Prime Minister said he would look into the matter and would also ascertain whether or not, having regard to the great interest of the government in the decision to be rendered there, Canada had an observer to ascertain the progress of proceedings.

Right Hon. L. S. St. Laurent (Prime Minister): I did ascertain that the officials at the embassy in Washington were keeping in touch with what was going on there and that the position is that there have been motions submitted to dismiss the application of Midwestern for a permit to import, which motions have not been disposed of. If they are rejected I understand there will then be cross-examination and that it is not possible to make any forecast as to when that semi-judicial body will reach a conclusion.

Mr. Diefenbaker: But is it not possible, having regard to the number of briefs that have been submitted, for the federal power commission to give some indication or for the Prime Minister to be able to determine reasonably by way of anticipation when such a judgment will be secured? Is he of the opinion that it will take two or three years as has been estimated?

[Mr. Speaker.]

Mr. St. Laurent (Quebec East): No, Mr. Speaker, I am not of opinion that it will take two or three years. The hon. gentleman and I practised law, and I hope the hon. gentleman is still in a position where he can continue to practise law, and he knows from his experience and I know from mine that it is not prudent to forecast when a judicial or semi-judicial body will be delivering a judgment or making a decision.

ARTS, LETTERS AND SCIENCES

ALLEGED DEROGATORY STATEMENTS BY HEAD OF NATIONAL GALLERY

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): May I direct a question to the Minister of Citizenship and Immigration. Will the minister investigate the derogatory statements Mr. Jarvis of the national gallery has been making to the press recently about the maritimes generally and Saint John in particular? Will he investigate his right to make these statements, the desirability of making them and also the desirability of travelling around the country in this way?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I thought the opposition was claiming the right of free speech.

Mr. Rowe: You are a great champion of free speech.

NATIONAL DEFENCE

INQUIRY AS TO SUFFICIENCY OF TRANSPORT AIRCRAFT

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of National Defence. In view of the recent statement made by the head of the staff college at Kingston concerning the necessity of transporting troops by air, does the minister still feel that our armed forces are adequately supplied with transport type aircraft?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should think a question of this nature might be reserved for my estimates. I presume there will be a discussion then.

[*Later:*]

On the orders of the day:

Mr. Hamilton (York West): Mr. Speaker, I should like to direct a supplementary question to the Minister of National Defence. Does his answer regarding the transport aircraft situation indicate that he does not see any urgency in the problem in the armed forces?

Mr. Campney: No immediate urgency, no.

TRANSPORT

PROVINCIAL ELECTIONS—INQUIRY AS TO USE OF R.C.A.F. PLANES BY CABINET MINISTERS

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): I should like to address a question to the Minister of National Defence. Is his department making R.C.A.F. planes available to cabinet ministers for the purpose of travel in connection with provincial election campaigns?

Hon. R. O. Campney (Minister of National Defence): Not to my knowledge, sir.

WAR VETERANS ALLOWANCE

SUGGESTED AMENDMENT TO INCREASE AMOUNT OF PERMISSIVE INCOME

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Veterans Affairs. I have not given him notice but he can take it as notice if he so requires. Is the government giving consideration to amending the War Veterans Allowance Act so as to increase the amount of permissive income allowed recipients under the act?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Not at this time, Mr. Speaker.

EXTERNAL AFFAIRS

ISRAEL—SUGGESTED RECONSIDERATION OF SHIPMENT OF SABRE AIRCRAFT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs. In view of the speech made yesterday, as reported in the press, by a representative of the state of Israel as to the serious situation in which Israel may find itself within the next six weeks or so involving an impending attack, has the government given any reconsideration to the question of the shipment to Israel or the permit to ship Sabre aircraft to Israel?

Hon. L. B. Pearson (Secretary of State for External Affairs): I have not read the report of the speech in question, but the matter of the shipment of aircraft to Israel is still under consideration by the government.

WEST GERMANY—INQUIRY AS TO INVITATION TO CHANCELLOR ADENAUER TO VISIT CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the impending visit next week of Chancellor Adenauer of the Republic of Germany to the United States, may I ask him whether any invitation was extended to Chancellor Adenauer to come to Canada on this occasion?

Hon. L. B. Pearson (Secretary of State for External Affairs): When we heard that the chancellor was coming to this side we had hoped he would be able to return to Canada; but his visit is going to take only two or three days and he will not be able to leave the United States during that time.

VISIT OF THE PRESIDENT OF INDONESIA

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the statement published in the press that the President of Indonesia was to address a joint meeting of the House of Commons and the Senate, would the Prime Minister state if that is so, because we have heard no word of it in the house?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there has been no statement in the house because, though a tentative program had been arranged for the visit of His Excellency the President of Indonesia, it was frequently being changed, and, I understand, it was determined just a very short time ago and that the program is now printed and it does contain an announcement that he will be addressing the members of parliament, and others who will wish to take advantage of the opportunity of hearing him, on Tuesday morning at 10.20 in this chamber.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION OF COVERAGE TO FISHERMEN

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Labour. Can the minister tell the house whether any changes in the unemployment insurance regulations to provide unemployment insurance coverage for fishermen will be made prior to the end of the current session so that the house may have an opportunity to consider them?

Hon. Milton F. Gregg (Minister of Labour): I have nothing to add at the moment to the statement I made on the 16th of May.

FREIGHT RATES

CROWSNEST PASS—INQUIRY AS TO RATE INCREASE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Transport. Can the minister give the house the assurance that any increase that

may be permitted by the board of transport commissioners with respect to freight rates will not affect the Crowsnest rates which have been long established?

Hon. George C. Marler (Minister of Transport): The hon. gentleman is well aware that the so-called Crowsnest rates are determined by statute and not by the board of transport commissioners.

PUBLIC SERVICE

DEFENCE RESEARCH BOARD—INCREASE IN WORK WEEK OF SECURITY GUARDS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister now answer the question which I asked him a few days ago with reference to the hours of work of security guards at defence research board?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker; I am sorry that I cannot. However, the matter is being looked into.

DISABLED PERSONS

INQUIRY AS TO POSSIBLE CHANGES IN REGULATIONS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of National Health and Welfare. I wonder whether the minister is in a position yet to indicate whether or not the regulations pertaining to disabled persons are about to be changed so as to include a larger number?

Hon. Paul Martin (Minister of National Health and Welfare): I answered that question about a week ago.

HEALTH INSURANCE

INDIANS—INQUIRY AS TO ADVICE OF DEPARTMENTAL OFFICIALS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the Minister of National Health and Welfare. Has he been informed of a complaint to the effect that certain officers of his department looking after the health of Indians, I believe in the St. Clair reserve, have been advising Indians to purchase health insurance from line companies?

Hon. Paul Martin (Minister of National Health and Welfare): I will be glad to look into that matter.

Mr. Castleden: The question is whether you have received a complaint.

[Mr. McCullough (Moose Mountain).]

Mr. Martin: No. I will be glad to look into it.

Mr. Castleden: I beg the minister's pardon?

Mr. Martin: No; I have not. I will be glad to look into it.

Mr. Castleden: I should like to inform the minister to the effect—

Some hon. Members: Order.

Mr. Castleden: I should like to direct a question then to the Minister of Citizenship and Immigration. Did the minister transfer to the Minister of National Health and Welfare the complaint that he received at the Indian conference the other day to the effect that certain officers of the Department of National Health and Welfare were advising Indians to purchase health insurance from line companies?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I do not think that is a correct statement of the proposition, Mr. Speaker. I had the officers of my department inform the officers of my hon. friend's department about this matter and it is under consideration.

TRADE

GATT—INQUIRY AS TO TERMS OF RECENT AGREEMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I direct two questions to the Minister of Trade and Commerce. The first one is this. When will the minister be in a position to announce the terms of the agreement recently entered into with respect to changes in the general agreement on tariffs and trade? Second, will any of the changes require legislative action on the part of parliament to bring them into effect?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I believe that the release date is Thursday of next week. I understand that no special legislation is required by parliament other than the usual changes in the tariff bill that will be brought down by the Minister of Finance (Mr. Harris).

FINANCE

BANK OF CANADA—PURPOSE OF INCREASE IN DISCOUNT RATE

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I should like to direct a question to the Minister of Finance. Was the increase in the interest rate, which was lately ordered by the Bank of Canada, made for the purpose of discouraging the inflationary trend?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the Bank of Canada increased its own discount rate and I do not know of any other action taken.

Mr. Rowe: I should like to ask a supplementary question. If it was for the purpose I mentioned, why was the rate on savings not increased in order to encourage savings and likewise to discourage the inflationary trend?

Mr. Harris: Mr. Speaker, I will study my hon. friend's question and give an answer later.

Mr. Donald M. Fleming (Eglinton): May I direct a supplementary question to the Minister of Finance? Was that step taken by the Bank of Canada in raising the rate, taken with the approval of the government?

Mr. Harris: Mr. Speaker, according to the statute the Bank of Canada takes the responsibility for its actions.

Mr. Fleming: May I ask whether the government was aware of the action before it was taken and did not the government approve it?

Mr. Harris: Mr. Speaker, I gave my answer a moment ago.

Mr. Fleming: That is not an answer.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask a supplementary question of the Minister of Finance. If this increase in the rate has as its objective the preventing of inflation, why is it that the government is authorizing the expenditure of $80 million by an American corporation in Canada, something which would presumably increase inflation? The money is not borrowed from the Canadian people. That is my point. If this money were borrowed from the Canadian people by means of a bond issue, the situation would be different; it would be anti-inflationary.

Mr. Harris: As to the former question, I am quite prepared to say that I was informed of the action before it was taken. As to the latter question, I was also informed that the loan of $80 million would not be inflationary.

Mr. Coldwell: I wonder what the reasons were that were given for that advice? Would the minister tell us?

Mr. Harris: Mr. Speaker, I will be glad to discuss this matter on my estimates.

Mr. Rowe: Mr. Speaker, I should like to ask the minister another question. He said he would take into consideration the idea of an increased rate of interest on savings as a prevention of inflation. Does the Minister of Finance not advise or give his recommendation to the Bank of Canada?

Mr. Harris: As I say, Mr. Speaker, I will be glad to discuss that matter on the estimates. In the meantime, I think we shall make a bit of progress if my hon. friend reads the statute and sees the division of responsibilities between the bank and the government.

Mr. Rowe: I was asking the minister. I thought maybe he knew what his responsibilities were.

VICTORY BONDS—INQUIRY AS TO REASON FOR WITHDRAWAL OF GOVERNMENT SUPPORT

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to address a question to the Minister of Finance. I should like to know why the government withdrew their support from the victory bond issues of 1942, 1943, 1944 and 1945?

Hon. W. E. Harris (Minister of Finance): I am not familiar with the problem; I will find out about it.

Mr. Hodgson: You ought to be familiar with it because the bonds are down to 85 cents this morning.

IMMIGRATION

PROVISION FOR FURTHER ASSISTANCE IN FAMILY SETTLEMENT

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct a question to the Minister of Citizenship and Immigration arising out of a statement he made to the house some time ago to the effect that children of immigrant families would receive certain payments. My question is this. Are those payments now going forward? If not, when does the minister expect to start sending those payments to the children of immigrant families?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, we can expect them whenever this house gets down to business and deals with the estimates which will provide them.

Mr. Fleming: The schoolmaster speaks.

Mr. Knowles: Mr. Speaker, I wish to direct a question—

Mr. Speaker: It looks as though the hon. member for Dauphin has a supplementary question.

Mr. Knowles: Fine.

Mr. Zaplitny: Yes, Mr. Speaker. My supplementary question is this. Is it the intention of the minister to introduce any legislation in order to implement that policy or can

it be implemented without further amendments to the Immigration Act?

Mr. Pickersgill: The money will require to be voted.

Mr. Zaplitny: May I ask a supplementary question? The minister did not reply to my question. The question was whether that policy may be now implemented without any amendments to the Immigration Act?

Mr. Pickersgill: I have given my answer, Mr. Speaker.

Some hon. Members: No.

FLOODS

SASKATCHEWAN—REFERENCE TO AMOUNT OF FEDERAL RELIEF PAYMENTS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Prime Minister. Can the Prime Minister state whether, in view of the hopeful generosity of the government in respect of the Trans-Canada Pipe Lines, the government has come to the conclusion that the paltry $100,000 paid by the federal government in respect of the colossal flood damage in Saskatchewan last year is quite discriminatory?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there is no relation whatsoever between the two matters mentioned in the hon. gentleman's question.

GRAIN

BOX CARS—INQUIRY AS TO POSSIBILITY OF FILLING SPACE AT PORTS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the Minister of Transport. Can the minister state what the present situation is with regard to the possibility of carrying forward shipping orders so that boats and other space at ports could be filled? What is the situation with regard to box cars within Canada at the present time and what is the backlog in shipping orders?

Hon. George C. Marler (Minister of Transport): I shall take my hon. friend's question as notice.

DRUGS

SUGGESTED INCREASE IN PENALTIES FOR ILLEGAL DISTRIBUTION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to direct a question to the Acting Minister of Justice. In view of the fact that the United States Senate has just passed a law having to do with increased sentences, including the death penalty in some cases, for the illegal distribution of narcotics, may I ask whether this government is giving any consideration to increasing the penalties on those who illegally distribute narcotics for illicit purposes?

Hon. Paul Martin (Minister of National Health and Welfare): I am not the Acting Minister of Justice, but that matter largely concerns our department. The matter is receiving consideration.

BLIND PERSONS

INQUIRY AS TO PROVISION OF GUIDE ALLOWANCE WITHOUT A MEANS TEST

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister tell the house whether he will bring in a proposal at this session to provide a guide allowance without a means test for blind persons in Canada?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend knows these matters are always under consideration. Much will depend upon the progress of debate here and further consideration.

POWER

PASSAMAQUODDY PROJECT—INQUIRY AS TO APPOINTMENT OF JOINT CANADA-U.S. COMMITTEE

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, on May 25 I asked the Secretary of State for External Affairs a question with reference to the appointment of a joint committee of the United States and Canada for the studying of the feasibility of harnessing the Passamaquoddy tides for hydroelectric power. I wonder whether the minister has a statement to make?

Hon. L. B. Pearson (Secretary of State for External Affairs): A joint reference on the Passamaquoddy tidal power project will be submitted to the international joint commission as soon as agreement on the terms of the reference has been reached between the governments of Canada and the United States. On receipt of the joint reference—I hope that will be shortly—the commission will make arrangements for the appointment of the appropriate boards to assume responsibility for the surveys.

VETERANS AFFAIRS

CANADIAN LEGION BIENNIAL CONVENTION—INQUIRY AS TO ATTENDANCE OF MINISTER AND MEMBERS OF HOUSE

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Is the minister attending the biennial convention of the Canadian Legion in Vancouver, which I believe is to be held this month? Are any arrangements being made, as have been made at previous conventions, for members of the House of Commons to attend the convention?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, the minister does propose to attend the convention, as in the past. I am not familiar with any arrangements that have been made previously to transport hon. members to the locality where the convention is taking place. Personally, the minister is travelling by Trans-Canada Air Lines.

SHIPPING

INQUIRY AS TO SUBSIDIZATION OF MERCHANT FLEET

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the resolution passed yesterday at the annual meeting of the naval officers association of Canada with respect to subsidizing the merchant fleet, a copy of which I understand will be presented to the minister, is the minister prepared to reconsider this matter and make a statement on it?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I would prefer to see the terms of the resolution before I make any statement.

BUSINESS OF THE HOUSE

MR. SPEAKER—STATEMENT WITH RESPECT TO RULING ON MOTION OF HON. MEMBER FOR NANAIMO

Mr. Speaker: Government orders. Before the deputy clerk reads the order of the day, it is not because I want to anticipate the point of order which the hon. member for Eglinton indicated that he wanted to raise a moment ago that I want to state that it may be said that because the chairman's report was not placed before the house yesterday, the order "House again in committee of the whole" should not appear on the order paper; but, of course, what has happened is absolutely unprecedented. See standing order 7. No such interruption has ever taken place. It is in the same category as the interruption which takes place when the Black Rod comes to tell us that a message is coming to us from the Senate.

Therefore I had to deal with the problem last evening before I left, and the matter which was before the house was, as provided in the rules, an appeal by the hon. member for Winnipeg North Centre of a ruling made by the chairman in committee, and that report must be submitted to the house and the committee must resume the consideration of its business at once. Therefore I gave instructions to the Clerk to put the order on the order paper and it is in relation to that instruction, for which I take responsibility, that I suggest the action I outlined a moment ago to the house. It is absolutely unprovided for; it is unprecedented; and the matter I outlined a moment ago is one which I thought I had the right to submit to the house at the time I did.

The hon. member for Winnipeg North Centre indicated doubts existed as to that. As a matter of fact, he said: "I challenge your right to do it at the moment", but indicated it could be done later. Therefore at this moment I am—

Some hon. Members: No.

Mr. Knowles: On a point of order, Mr. Speaker,—

Mr. Speaker: I am putting words in the hon. gentleman's mouth?

Mr. Knowles: Yes.

Mr. Speaker: If I am, I withdraw them and I apologize. Now, in the execution of that—

Mr. Knowles: I rise on a point of order.

Mr. Speaker: The hon. gentleman says he rises on a point of order. The function of a point of order is to bring to the attention of the Speaker a matter which he did not himself perceive. I have perceived the matter. I have explained why it is happening the way it is. What more can hon. members ask than that the matter be left to them to decide? That is exactly what I propose to do.

Mr. Knowles: That is rule by majority, not rule by the rule book. That is taking the will of the majority rather than following the rules in the book.

Mr. Speaker: The hon. member for Winnipeg North Centre says that that is rule by the majority.

Mr. Knowles: And not following the rules laid down.

Mr. Speaker: All questions must be decided by a majority.

Mr. Coldwell: And I suggest to you that the demonstration in this house over the past week has shown that the majority has no respect for the views of the minority.

Some hon. Members: Shame.

Mr. Coldwell: Mr. Speaker, we appeal to you to protect the minority against the oppressive majority.

Mr. Speaker: Order.

An hon. Member: Hitlerites.

Mr. Speaker: Order. The matter of order before the house at the moment is one that I brought up myself. Of course, hon. members would wish to debate this matter that I have raised myself. I do not know what more hon. members wish. I do not know what more they can ask for at this moment. I am submitting to them the matter of order which I believe it is my right to submit—

Some hon. Members: No, no.

Mr. Coldwell: No.

Mr. Speaker: —and it is their right to decide. Well, the hon. member says no.

Mr. Knowles: It is the right of the government to call the order that it wants called and I submit that you should wait until the government decides what order it wants called. If it wants to call order No. 2 it is the government's right to do so, not yours.

Mr. Speaker: The hon. member knows very well that if he looks at the business of the house for last evening it was indicated that the business would be to go back on the pipe-line debate with the house in committee of the whole. I rose at the moment the deputy clerk was to read order No. 2. He had said, "Order No. 2" and was proceeding to read it.

Mr. Knowles: What does it say? What does order No. 2 say?

Mr. Speaker: That is exactly the point I intend to submit to the house at the moment. I do not know why hon. members should discuss with me a matter of order which I raised myself and which is on all fours exactly with the one they want to raise themselves.

Mr. Diefenbaker: You are our protector, that is why.

Mr. Speaker: What could be more democratic?

Mr. Knowles: Will you hear me on a point of order?

Some hon. Members: Sit down.

Mr. Knowles: I rise on a point of order.

[Mr. Speaker.]

Mr. Speaker: There is a matter of order which I put before the house myself. What I intended to submit to the house is that in neglecting to submit at once to the house yesterday the report of the chairman of the committee on an appeal from his ruling by the hon. member for Winnipeg North Centre (Mr. Knowles) I made a serious mistake and the house should not suffer any prejudice or detriment on my account, and that the house, which is master of its own proceedings, should be placed in exactly the same position as it was when I resumed the chair yesterday to submit the chairman's ruling to the house. Those who are in favour of this course of action will please say yea.

Some hon. Members: Yea.

Mr. Drew: But, Mr. Speaker—

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it; call in the members.

Mr. Drew: Mr. Speaker—

Mr. Fleming: Mr. Speaker—

Mr. Fulton: Mr. Speaker—

Mr. Knowles: Mr. Speaker—

Some hon. Members: Hail, hail, the gang's all here.

Mr. Drew: Mr. Speaker, do I understand that you will do nothing—

Mr. Coldwell: Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Has the Prime Minister no control over his followers?

Mr. Fleming: This is organized disorder on the part of all Liberals in the house.

Mr. Coldwell: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Coldwell: Mr. Speaker, are you not going to call order?

Mr. Speaker: There is nothing before the house at the moment.

Mr. Knowles: There is no house.

Mr. Coldwell: Mr. Speaker, this is a demonstration on the part of all Liberals in the house which shows a great disrespect for authority. I protest against this. Parliament has ceased to function.

Mr. Diefenbaker: Where is the Prime Minister? Is he silent in the face of this demonstration?

Mr. Rowe: Is he afraid to dissolve parliament? Why not do it yourself?—you are doing everything else yourself.

Mr. Martin: You have delayed things for three weeks. You led it, too. Don't say a word.

Mr. Fleming: Mr. Speaker, it should be placed on the record that when an hon. member rose on a question of privilege you sat down and refused to hear him and the Liberals instigated such an outburst of disorder that no one could be heard. That ought to be on the record. This is the lowest moment in Canadian parliamentary history; the lowest moment. There has never been anything like it.

Mr. Pearson: I thought that was last night.

Mr. Bell: This is black Friday, boy.

Mr. Lesage: You brought it on; you did it yourself.

Mr. Fleming: How absurd can you get?

Mr. Martin: The minority is not running this parliament.

Mr. Rowe: The majority isn't running it either; nobody is running it. The majority cannot run it, let alone the minority.

Mr. Hodgson: Hitlerism.

Some hon. Members:

There will always be a pipe line,
The pipe line shall be free;
The gas shall flow from west to east in each locality.
There'll always be a pipe line,
The pipe line shall be free—

Mr. Fleming: Not parliament.

Some hon. Members:

—for Fulton means no more to you than Fulton means to me.
There'll always be a pipe line, the pipe line shall be free—

Mr. Fleming: Free to American investors.

Some hon. Members:

I've been working on the pipe line all the day through,
I've been working on the pipe line just to make the Tories blue.
Can't you hear the Tories moaning, getting up so early in the morn';
Hear the C.C.F.'ers groaning, for the pipe line's getting warm.

Mr. Rowe: He laughs best who laughs last; go to the country and find out.

An hon. Member: You laughed yourself.

Mr. Rowe: No, I am ashamed of you; that is why I cannot laugh.

The house divided on the question: Shall the course of action submitted by Mr. Speaker be followed? And the question was decided in the affirmative on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron (High Park)
Campney
Cannon
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Stick

Stuart (Charlotte)	Weaver
Thibault	Weir
Thomas	Weselak
Tucker	Winters
Viau	Yuill—142.
Villeneuve	

NAYS:—0.

During the taking of the vote:

Mr. Speaker: Those who are opposed will please rise.

Mr. Drew: We are not voting because there is no question properly before the house.

Mr. Speaker: Are all other hon. members abstaining also?

Mr. Coldwell: I share that opinion.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Speaker: Order. The question before the house is an appeal from a ruling of the chairman of the committee of the whole—

Mr. Fulton: Mr. Speaker, on a question of privilege, I rise to move—

Mr. Speaker: May I interrupt the hon. member? I am now in possession of the floor and will not accept the hon. gentleman's question of privilege.

Mr. Fulton: I move, seconded by—

Mr. Speaker: Order. In committee of the whole Mr. St. Laurent (Quebec East) moved that at this sitting of the committee of the whole house on Bill 298—

Mr. Fulton: Before you put the question—

Mr. Speaker: —an act to establish the Northern Ontario Pipe Line Crown Corporation, the further consideration of clauses 1, 2, 3, 4, 5, 6 and 7, the title of the said bill, and any amendments proposed thereto, shall be—

Mr. Fulton: Before you put the question—

Mr. Speaker: —the first business of this committee and shall not further be postponed.

Mr. Fulton: Before you put the question—

Mr. Speaker: Will the hon. member be kind enough to resume his seat?

Mr. Fulton: Will you hear me? If you say you will hear me, I shall resume my seat.

Mr. Speaker: Mr. Fulton raised a point of order that the motion was not in order on the ground that certain clauses of the bill had not been before the committee—

Mr. Knowles: Mr. Speaker—

Mr. Fulton: Before you put the question—

Mr. Speaker: —and also that other clauses were postponed before being considered by the committee and therefore, in accordance with standing order 33, the said clauses cannot come within the ambit of the proposed motion.

The chairman ruled that in accordance with the rules and practices of the house the motion was in order. Whereupon Mr. Knowles appealed to the house from the ruling of the Chair.

Those who are in favour of sustaining the ruling of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Drew: You have no right to sit in that chair.

Mr. Fleming: Mr. Speaker, before you put the question—

Some hon. Members: Sit down.

Mr. Bell: There is the man there.

Mr. Drew: His is the responsibility for this.

Mr. Speaker: The question is the following one—

Mr. Fleming: Mr. Speaker, on a point of order, you said you would hear me before you put the question to the house. You gave me an undertaking this morning, Mr. Speaker, when I raised this question at an earlier point, that you would hear me on this matter.

Mr. Speaker: May I repeat what I said earlier and tell the hon. gentleman that I take full responsibility for what I am doing.

Mr. Drew: Certainly you do.

Mr. Rowe: Why shouldn't you?

Mr. Speaker: I know what I am doing. The hon. member has put some remarks on *Hansard* and he will also have mine on *Hansard* and he can take whatever course he likes. As a matter of fact, the course has been taken, and I may be dealt with in that fashion. I refuse to hear the hon. gentleman on a question of order at this stage.

Mr. Fleming: Mr. Speaker—

Mr. Drew: Do you not honour your word?

Mr. Fleming: Will you allow me to state the question?

Mr. Speaker: Order.

Mr. Fleming: It is an important question based upon the authorities.

Mr. Speaker: Order.

Mr. Fleming: You gave me an undertaking that I could do that—

Mr. Speaker: Order.

Mr. Fleming: —and now you are denying me that right, a right of all members of the house—

Mr. Speaker: Order.

Mr. Fleming: —and you are doing it in defiance of what you said this morning.

Mr. Speaker: Order. The question is the following one:

In committee of the whole, Mr. St. Laurent (Quebec East) moved that at this sitting of the committee of the whole house on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill, and any amendments proposed thereto, shall be the first business of this committee and shall not further be postponed.

Mr. Fulton raised a point of order that the motion was not in order on the ground that certain clauses of the bill have not been before the committee and also that other clauses were postponed before being considered by the committee, and therefore, in accordance with standing order 33, the said clauses could not come within the ambit of the proposed motion.

The chairman ruled that in accordance with the rules and the practice of the house, the motion is in order. Whereupon Mr. Knowles appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Fairey
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Low
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
Winters
Yuill—143.

NAYS

Messrs:

Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Green
Hamilton (York West)
Hees
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pearkes
Rea

Robinson (Bruce)	White (Hastings-Frontenac)
Rowe	White (Middlesex East)
Small	Winch
Stanton	Zaplitny—50.
Stewart (Winnipeg North)	

Mr. Martin: Mr. Speaker, I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted to sustain the chairman's ruling.

Mr. Speaker: I declare the chairman's ruling sustained.

Mr. Fulton: Mr. Speaker, I move—

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

The house resumed, from Thursday, May 31, consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation—Mr. Howe (Port Arthur) —Mr. Applewhaite in the chair.

Mr. Fulton: —seconded by the hon. member for Lanark that this house do now adjourn. On a point of order, may I say that the order of the day for the house to go into committee has not been read.

The Deputy Chairman: The house in committee of the whole on Bill No. 298. The question is on the motion made by—

Mr. Fleming: On a point of order—

Mr. Fulton: The order of the day has not been read.

The Deputy Chairman: The committee knows full well that I have no duty that I can perform at the moment but to put the motion the legality of which has been ruled on. Those in favour of the motion will please rise.

Mr. Knowles: I rise on a point of order.

Mr. Fleming: On a point of order—

During the taking of the vote:

Mr. Fleming: I want to be heard on a point of order. You have no right to shut us up.

Some hon. Members: Sit down.

Mr. Fleming: Have we come to fascism?

Mr. Fulton: Mr. Chairman, I am standing on a question of privilege.

And the result of the vote having been announced: Yeas, 144; nays, 51.

The Deputy Chairman: I declare the motion carried.

Mr. Fulton: Mr. Chairman, on a question of privilege I challenge the vote. I was counted on both sides of the motion although I made it clear that I was remaining on my feet on a question of privilege, on which I had risen before you put the question. There are therefore now two questions before the committee. There is the original question of privilege on which I rose and there is the question of privilege with regard to the vote. With respect to the first question of privilege, I submit that you are improperly in the chair because the order for the committee was not read; because the Speaker left the chair—he ran away from the chair—even although a motion was before him which was perfectly in order. Hence on those two grounds, namely that the house had before it unfinished business and second, that the order of the day for you to take the chair had not been read, these whole proceedings and this vote are a nullity. Second, as I have said with respect to the vote itself, the vote is a nullity because I was counted on both sides although I made it clear at the time the Clerk pointed to me that I was standing on a question of privilege and not for the purpose of casting a vote. I place these matters before you and I require a ruling on both points, Mr. Chairman.

The Deputy Chairman: I will deal first with the second question raised by the hon. member for Kamloops. He states that through inadvertence—he being on his feet when the committee was being counted—although he indicated that he did not intend to vote, he was included in the vote when he should not have been. I will direct that the vote be adjusted accordingly. The other question which the hon. member has raised as a question of privilege is, I think, a question of order.

Mr. Fulton: Very well, a point of order.

The Deputy Chairman: It is the first thing, now, on which I am not in a position to rule. He is calling in question proceedings of the house at the time when Mr. Speaker was in the chair.

Mr. Fulton: I am calling in question your assumption of the chair when no order had been read for you to take the chair.

The Deputy Chairman: The hon. member for Kamloops is raising a point of order that I am in the chair illegally?

Mr. Fulton: Yes.

The Deputy Chairman: Owing to action which took place at the time when Mr. Speaker was in the chair, I am not in a position to rule on the proceedings of the house prior to—

Mr. Fulton: Will you tell me how you came into the chair in the absence of an order of the house?

The Deputy Chairman: Will the hon. member just wait—

Mr. Fulton: Will you tell me how you got into the chair in the absence of an order from the house, when no such order was passed by the house and no such order was put to the house?

The Deputy Chairman: I will be glad to tell the hon. member that, if he will kindly let me complete my sentence. I said, when I was interrupted, that I was not in a position to rule on any proceedings prior to my assumption of the chair. The hon. member claims that I am in the chair wrongly. While I understand that the house does not know officially what the committee does until it is reported to it, I think the reverse is not so and a committee of the house does know the proceedings of the house. There was a proposition put and voted upon earlier in the day that the house would revert to the position at which it was—

Some hon. Members: No; there was no motion.

The Deputy Chairman: Order. I did not say that there was a motion. There was a proposition which was put and voted upon that—

Mr. Coldwell: What was put? What was the motion and what was put?

The Deputy Chairman: If hon. members will kindly permit me to complete my sentence, there was a proposition put before the house and voted upon this morning—

Mr. Fulton: "Proposition" is right.

The Deputy Chairman: —that the house would consider itself at a certain place at which it was yesterday at approximately 5.15, and that was carried. As a result of that—and it could not be otherwise than as a result of that—an appeal has just been voted upon from a ruling which I made yesterday in the chair and which it would not be possible for the house to have voted upon if we had not reached this order of the day. Clause 4.

Mr. Drew: Mr. Chairman—

Mr. Fulton: I appeal your ruling.

Mr. Drew: Mr. Chairman, before that appeal is dealt with, may I point out that if you, sir, were informed that through some inadvertence you had been called to take the chair and that no effective proceedings had taken place in this house before that time, I submit that you would be bound then to refer the matter to the Chair and ask for a statement from the Chair as to whether you are correctly acting as chairman of this committee.

Now, Mr. Chairman, I do not know what the message is that you have received, but what I do want to point out is that when it is stated to you on the responsibility of a member—and this is stated to you on the responsibility of many members of this house —that no order was called and that no proceedings under our rules have been taken which justify your now sitting in the chair, it is not, I submit, within your power to decide that question. What I submit is that it is your duty, then, to submit the matter to the Speaker for a statement as to whether in fact the proceedings were properly followed. I now ask you to submit the question to Mr. Speaker as to whether you are properly sitting as chairman of this committee.

Mr. MacInnis: Mr. Chairman, I wonder whether we can get a point settled because I at least am confused. I understood, in my time in the house, that we voted on a motion of this house and that when the motion was voted on and carried it was a decision of the house. But I understand now there is a new procedure and that we vote on propositions. If we do, what is the authority for it? No one moves it. Am I to understand that the Speaker takes it upon himself to put questions before the house on which he asks for a vote of the house? That, too, is something new. Let us be sure where we are.

Mr. Castleden: Let us be sure where we are going.

Mr. MacInnis: I do not know whether we can be sure where we are going or not, but of one thing I am sure: we are going in the wrong direction. Let us find out what is the authority for voting on a proposition, and, if there is no authority, let us give it the desserts it merits, the desserts of no authority; but let us not carry on this sort of thing any longer.

May I say that in my opinion it is no concern of the Speaker of the house what business comes up in this house. That is the concern of the leader of the house and of the Prime Minister. The concern of the Speaker of the house is to see that you and I and every other hon. member of the house are accorded all the rights and privileges that the rules of this house afford us. Beyond that he has no concern at all.

Mr. Knowles: Mr. Chairman—

Mr. Fleming: Mr. Chairman—

The Deputy Chairman: I see the hon. member for Winnipeg North Centre. I will see the hon. member for Eglinton later.

Mr. Knowles: Before you make a firm ruling, or before an appeal is put, you, sir, might consider this additional point that I wish to lay before you. I listened with care to your contention that you cannot look beyond the fact that you were put in the chair; you cannot look to what happened when Mr. Speaker was in the chair. With respect, I do not think that position can stand up because this place is full of members who know that happened and are in a position to report it to you. But, in addition, Mr. Chairman, to the reasons already given why this committee is not properly or not legally constituted, I wish to draw your attention to a certain citation in Beauchesne, third edition, and also to a certain fact—you, sir, cannot deny it—recorded in the *Journals*. The *Journals* or *Votes and Proceedings* for a day such as Tuesday, May 29, read as follows, on page 656:

> The house resumed consideration in committee of the whole of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, and further progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the house.

The Deputy Chairman: What page is that?

Mr. Knowles: That was Tuesday, May 29, at page 656. In other words, Mr. Chairman, it is perfectly clear that on Tuesday, May 29, we followed the rules. The committee rose and reported progress and obtained permission to consider Bill No. 298 at the next sitting of the house.

On Wednesday, May 30, as recorded on page 657 of *Votes and Proceedings*, we had the same thing. I read it again:

> The house resumed consideration in committee of the whole of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, and further progress having been made and reported, the committee obtained leave to consider it again at the next sitting of the house.

The committee did that on Wednesday. The committee followed the rules; the committee did what was right and proper. But if you look at the *Votes and Proceedings* for yesterday, Thursday, May 31, you will find on page 661 this notation:

> The house resumed consideration in committee of the whole of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation. And the house continuing in committee;—

You can search the pages of the *Votes and Proceedings* of yesterday from there to the end and you will not find at any point where the committee obtained the permission of the house to consider the bill again at the next sitting of the house. The proceedings of the committee of yesterday on Bill No. 298 vanished into thin air at ten o'clock last night.

I draw your attention to citation 702 of Beauchesne's third edition which reads:

> When a bill or other matter (except Supply or Ways and Means) has been partly considered in committee, and the chairman has been directed to report progress and ask leave to sit again, and the house shall have ordered that the committee shall sit again on a particular day, the Speaker shall, when the order for the committee has been read, forthwith leave the chair, without putting any question, and the house shall thereupon resolve itself into such committee.

It is exceedingly clear to anyone who might still have an interest in following rules of procedure that the only way a committee can resume consideration of a bill is on the basis of having obtained the permission of the house at a previous sitting to do so. No such permission was asked for yesterday and no such permission was obtained. Mr. Chairman, it is my submission that Bill No. 298 died at ten o'clock last night.

Some hon. Members: Oh, oh.

Mr. Knowles: Hon. members can laugh and I am not surprised at their laughter because they have thrown the rule book into the filth of the Ottawa river; but it is a fact that can be confirmed by the *Votes and Proceedings* of this house which are clearly defined in our rules as the official records of the house, and I defy any hon. member of this house to show me anywhere in the *Votes and Proceedings* of yesterday that the committee obtained permission to consider Bill No. 298 again at the next sitting of the house.

Now, Mr. Chairman, if you were to try to tell me that we are acting in pursuance of what is on today's order paper, I wish to tell you that I sought with the loudest voice I could possibly muster to rise on a point of order while the Speaker was in the chair to make the point that order No. 2 on today's order paper is there illegally, but I was denied the right to make that point of order. The Speaker left the chair; but that does not do away with the fact that order No. 2 has no right to be on today's order paper.

We were told earlier in the discussion that the Speaker took the responsibility for putting it there but he did not give anybody a chance to question it at all and it is my submission that it has no right to be there.

Do not let the government say there is nothing the government could do about it, if they accept my contention that Bill No. 298 died at ten o'clock last night, because citation 695 of Beauchesne's third edition indicates certain other ways in which a bill that has been considered in committee can die. These other ways are if a motion is put that the chairman do now leave the chair or if the

committee rises for want of a quorum. In both of these cases a bill that a committee has been considering dies. Citation 695 makes it clear that a bill which has died in one of those ways, or in any other way, can be revived by an order of the house.

I am not attempting to say to the government that the death of Bill No. 298 last night is irrevocable and that there is nothing they can do to resuscitate it; they can, but it requires an order of the house to do it and this government which does not seem to care very much for rules has not taken the trouble to present a motion for an order of the house to revive Bill No. 298.

Mr. Chairman, because of your own failure—true, ten o'clock came round—but because of your own failure to get from the committee a motion that you rise and report progress and ask leave to sit again, you know that you cannot sit there now on Bill No. 298. This has nothing to do with looking back to what Mr. Speaker did, whether it was putting order No. 2 on the order paper or concerning his performance or lack of performance in the chair today. I am concerned about your responsibility as chairman of the committee of the whole.

You know, and you have not a chance in the world of trying to tell me that what I am saying is not true, that you did not get permission from the house yesterday to re-open this discussion today. You did not ask the committee. True, you did not know that time would run out and that you would not get the chance to do so, but we cannot help that.

Some hon. Members: Oh, oh.

Mr. Knowles: The fact of the matter is that ten o'clock came without that permission having been obtained and therefore if there is any semblance left of concern for the rules of the house the only way Bill No. 298 can be revised in the committee of the whole house is for an order of the house to be made.

For that reason, Mr. Chairman, I contend that everything that has taken place in this committee since Your Honour illegally took the chair is out of order including in particular the vote which you declared carried with respect to the Prime Minister's motion.

I do not want to confuse the point of order. At the moment I am sticking to my point that this committee is illegally sitting but I will add as a sideline that I think Your Honour was unfair when you refused to hear the point of order from me when you took the chair today. It is perfectly right that certain questions of privilege and arguments about the Prime Minister's motion might not have been in order but I contend that my attempt to rise on a point of order the moment you took the chair today was just as proper as was the attempt of several of us to rise on the point of order yesterday to which the Prime Minister spoke. But no, today you arbitrarily said that you had nothing to do at that time but to put the question on this matter while several of us were on our feet trying to raise a point of order. I was one of those and the point of order I was trying to raise at that time is the same point I tried to raise when the Speaker was in the chair, and it is the point I raise now that you, sir, did not get the permission of the house last night to resume on Bill No. 298 today. Therefore, Bill No. 298 died last night and the sitting of this committee now is a nullity, is illegal, and I insist that you consider the point and rule on it.

Mr. Fleming: Mr. Chairman, my point is rather different; I think you had better rule on this one. I will defer mine which is quite different.

The Deputy Chairman: As I understand it the hon. member for Winnipeg North Centre has raised two distinct points; one, that the question was improperly put and the other which he raised is that I am improperly here, or to make it less personal, the committee is improperly constituted.

In his argument in support of his contention that the committee is improperly constituted I think it is fair to say—and I would ask the hon. member to interrupt me if I misinterpret him but not if I do not—that what the hon. member is saying in effect is that government order No. 2, I think it is, is improperly on the order paper for the orders of the day, that it should not have appeared there because, according to the hon. gentleman's line of argument, it died for lack of continuance at the end of yesterday's session.

Mr. Knowles: Mr. Chairman, just so we can be clear that we are talking about the same thing, and in response to your invitation, I recognize that an attempt to ask you to rule on what is on the order paper of the house might lead you to say that is a point to be raised in the house, as I have indicated I sought to do.

I recognize that the only point you can rule on must relate to your actions. It is my contention that by your failure yesterday to get permission to sit again today, you in your capacity are now sitting in the chair improperly.

The Deputy Chairman: In other words, the hon. member is not asking me to rule upon something which if it is valid should have been raised with the Speaker in the chair, and the existence or non-existence on the order paper of this government order No. 2

is a matter which I consider is something to be raised wholly with the Speaker in the chair. The hon. member for Winnipeg North Centre has suggested that I can go further, and on a point of order, not on the clause which happens to be before us, but on the existence of this committee, that I can rule—I know I am taking liberties with his words but I am not meaning it to sound that way—that I inadvertently closed out this committee yesterday by vacating the chair without asking leave to sit again.

There are more occasions than one when the committee rises suddenly and without notice; the best one I know of—I have the citations before me—I think it would be familiar to hon. members—is when a message is received from the Senate that His Excellency desires the attendance of this house in the Senate. We go over. The committee rises and the Speaker, if I remember rightly, just takes the chair without any formal proceedings at all. Standing order 7 reads:

> At the ordinary time of adjournment of the house, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

Of course hon. members will point out that that has always been the case and that despite the existence of that rule, when we leave the chair at the normal closing hour we ask leave to sit again, but, if I may say so, I think there is a difference in the position. I do not expect the hon. member to agree with me, but I do ask him to listen to my line of thought.

When an ordinary appeal is taken from a chairman's ruling under normal circumstances and is heard, voted on and disposed of, that takes about an hour. It is not usual for the chairman who submits that appeal to rise and ask leave to sit again. As a matter of fact, theoretically he has no right to do so. He rises for the purpose of submitting the appeal to Mr. Speaker. In no instance in my recollection has it ever been raised that the chairman was wrongfully back in the chair. The appeal had been disposed of even though he had left the chair and Mr. Speaker had resumed his seat and the mace had been brought up on the table and to all intents and purposes for the time being the proceedings had come to a halt.

He is asking me to rule that because circumstances were such that it took from somewhere like ten minutes past five o'clock last night to ten o'clock to obtain a vote on my disputed ruling that the position is different. I am not imputing motives, I am asking him to look at this position. Let us suppose that a ruling is appealed and that a number of intervening proceedings, questions of privilege and so on, would have the effect of putting that appeal beyond the ten o'clock hour and therefore making it impossible to be heard. I submit, and I base my ruling on this line of thought, that it would be reading a wrongful intention into the rules to read into them that the Chairman can leave the chair, submit a ruling for appeal and return to the committee under certain circumstances validly, and under other circumstances invalidly.

I suggest to the committee that we might have an appeal taken at five minutes to ten o'clock. Is the taking of that appeal going to result in the disappearance of the order? I do not think it is.

I will say quite frankly that the other question raised by the hon. member for Winnipeg North Centre causes me more worry because it affects me personally in its application. He has stated that I improperly put the question, that is Mr. St. Laurent's motion, in that I did not hear points of order which one or more members wished to raise at the time when I resumed the chair. For the purpose of this part of my lengthy discourse, for which I apologize, may we assume that I resumed the chair legally. The facts are as the hon. member stated. I was not unaware that one or more members were on their feet desiring to raise either points of order or questions of privilege, which I do not know. I did not hear them; I did not see them, let there be no doubt about that. I knew they were there but I did not officially recognize them. I consider that I was right in my action.

Mr. Fulton: You deliberately ignored them.

The Deputy Chairman: I did not officially recognize them. I consider—

Mr. Fulton: Put it the straight way and say that you deliberately ignored them.

The Deputy Chairman: If the hon. member prefers that expression I will not argue about it.

Mr. Knowles: If the chairman is accepting that as a statement of his position, that he deliberately ignored members, how can we continue on that basis?

The Deputy Chairman: The hon. member might perhaps permit me to complete my remarks. There are times in my opinion when the Speaker or the chairman has not a right to recognize a member. The most outstanding of course—hon. members will say that this is going too far—would be when

we are halfway down the line on a recorded vote. I do not think any hon. member in the house would feel that he had the right to raise any question after hon. members had started to rise.

In my opinion this is the situation as I see it. I had put to this committee yesterday an undebatable motion. We had discussed at length whether or not it was in order. I heard every member who rose to speak on the question of whether or not it was in order. I ruled that it was and several members did not agree with me and my ruling was appealed. We get back today exactly where we left off.

Mr. Fleming: That is where the error was made.

The Deputy Chairman: I beg your pardon?

Mr. Knowles: This is a new day.

Mr. Fleming: I said no, that is where the fundamental error has been made, before you precipitately put the motion.

The Deputy Chairman: For the purpose of this very point, may we assume that we got back legally. I was in the process of putting the motion and the only point which could be raised before that motion was put was whether or not it was in order. That was debated to the fullest extent that every member of the house wished to participate in the debate. Therefore I was in a position where it was my duty, whether it was my desire or not to put the motion forthwith, and I did.

Mr. Fulton: As I understand it, there are at least two points of order before you, possibly three. I raised one as to your right to be in the chair and I gave notice of appeal from your ruling. Then the hon. member for Winnipeg North Centre raised two other points of order. I suggest that, to be in order—I do not know whether or not being in order matters any longer, because the government has given notice that it does not intend to care about the rules anyway—but so that we can salvage something from the wreck it has created of parliament, it might be appropriate if you would deal with these matters at least in an orderly fashion—one, two, three—instead of promoting the snarl-up the government has created.

The Deputy Chairman: Would the hon. member for Kamloops elaborate a little on his point that I am illegally in the chair? I thought that was the same point as the one raised by the hon. member for Winnipeg North Centre. If it was not, I am afraid I have not caught the difference between the two.

Mr. Fulton: I said you had no right to be in the chair because there was no order of the day read for the house again to go into committee. In the absence of that decision by the house, the house could not go into committee, because the house can only resolve itself into committee on an order read and agreed to in the house. Therefore this committee has no right to sit, because the house has not reached any decision that it should go into committee. When I use the word "decision" I do not mean that a vote has to be put from the Chair, because once that has been carried I believe we all know that it does not require another vote on another day; but it does require the submission of an order to the house, which the house then accepts and acts on. The house has had no opportunity to accept or act on the proposition. I use the word Mr. Speaker used. The "proposition" was never put to the house to go into committee.

That is a different point from the one raised by the hon. member for Winnipeg North Centre, who says that you cannot go into committee because you yourself, by your failure to report last night allowed the bill to die.

Mr. Knowles: Mr. Chairman, may I say just a word on the point. In answer to your argument against my point that the bill died at ten o'clock last night, it seems to me, if I may say so with respect, that Your Honour has built your case on inadvertence, on the fact that because of what happened after five o'clock there was no opportunity for you to seek such permission. That, Mr. Chairman, is precisely what happens if a committee rises for want of a quorum. It is not of deliberate design; it is a matter of inadvertence; but the fact that something happens inadvertently does not give the committee power to change the rules in the middle of the game.

It seems to me that what we have to abide by is the fact that yesterday's *Votes and Proceedings* or yesterday's *Journals* made no reference to the committee rising, reporting progress and asking leave to sit again. Whether that is a separate point of order from the one raised by the hon. member for Kamloops or whether it is another argument in support of his point of order, I leave to you. But at least we are both contending: (a) because there was no order of the day read by the Speaker in the chair, (b) because of your failure, though inadvertently, to get permission yesterday to sit again today, the bill has died. For these reasons I contend that the committee is improperly sitting at this time. If you rule otherwise, I appeal your ruling.

The Deputy Chairman: I think the hon. member for Kamloops figured that he had a priority of appeal.

Mr. Fulton: I am not asserting any priority. I just want to have the matters considered separately. I understood you had ruled on the point of order or on the argument that I had raised. I indicated that I was not satisfied with your ruling. If you wish more time to consider the point of order raised by the hon. member for Winnipeg North Centre, which I would be prepared to admit is an even stronger argument than the one I raised, sir, by all means I invite you to do so, because I hope that this time there will be shown respect for the rules which are so clearly stated and the precedents so clearly established, and that we shall not have once more to submit a matter to this house, not for the exercise of impartial judgment, but for the execution of a political verdict.

The Deputy Chairman: I do not know whether that is very much to our assistance in arriving at a point of order. I am not going to rule on a matter which I consider can only be raised in the house, as against the committee. I am not going to rule as to whether or not government order No. 2 stands correctly or incorrectly on the order paper.

I am making this assumption—and I do not expect every hon. member to agree with me but I think it has merit—that the fact that we are here indicates that notice of government order No. 2 was and is on the order paper. Whether it was properly or improperly on the order paper—I am sorry—it is not for me to say.

I wonder whether the hon. member for Kamloops would state his point of order. When I ask him to state it briefly, he will realize it is for the benefit of the Clerk, who has to put it in writing.

Mr. Fulton: My point in simple essence is this. The order for committee not having been read and put before the house, the house cannot resolve itself into committee, and therefore the committee cannot sit. Therefore you cannot take the chair, because there can be no committee before the order for the house to resolve itself into committee is read. I am not arguing that that order requires to be submitted for a vote of the house at this stage, because under our rules, once the first motion for the house to go into committee has been voted on and decided, then on successive days, provided the committee is still alive—and there I protect the point of order of the hon. member for Winnipeg North Centre—then on successive days, when the order is read, the house goes into committee without question put, but it still requires the order to be read, and the house adopts that order without vote. Sir, the house cannot cease to sit as a house and start to sit as a committee of the whole in the absence of some order to do so, and no order to do so was read and presented to the house. So the house had no opportunity to adopt it, and it could not cease to sit as a house and sit as a committee. Therefore you cannot take the chair of the committee, because this committee cannot sit. There is a vacuum in our proceedings.

The Deputy Chairman: Surely that is just the point I am trying to make, that I am being asked to rule now on the validity of a proceeding when Mr. Speaker was in the chair, as a result of which at least one recorded vote was held in the house. I am referring to the vote on the appeal from the chairman's ruling. If I, as chairman of a committee, were to presume to rule in accordance with the submission of the hon. member for Kamloops, I would be ruling that the question of my appeal had been improperly submitted to the house earlier today.

Mr. Fulton: No.

The Deputy Chairman: I would ask the hon. member for Kamloops how that question could have been submitted if we had not reached order No. 2.

Mr. Fulton: We reached it but it was not read. Let me ask you, since you say you cannot look behind to see what happened in the house, then do what any other chairman may be asked to do at any time as I understand it, and that is to read your order of reference for today's sittings in committee. You will find that there is no order of reference because the house did not adopt one and there will not be any on the journals in front of you because the clerk cannot have written it down that the order to resolve into committee was read. Therefore we have no order of reference for today's sitting of this committee, and I say that you may search and search in vain but you will not find any order of reference there under which you are now sitting as Chairman in this committee.

Mr. Rowe: The Minister of National Revenue gave you one. Read it.

Mr. Knowles: On the point of order raised by the hon. member for Kamloops, my hon. friend is quite correct. I realize we have two points of order here and we may reach the point where we will have to have two rulings to decide on what to do with them, but I think the memory of all members, including those on the other side, will confirm that when we finished questions on the orders of the day and it was time for the orders of the day

to be read, although the house leader did not indicate what was to be called the clerk assistant got up and started to read order No. 2.

Mr. Harris: May I interrupt just long enough on the point of order to ask this question? Do I ever indicate the order, except perchance where we have run out of business, when I have indicated it the night before?

Mr. Knowles: That is well taken. Shall I say that the Minister of Finance in effect asked for order No. 2 when he said last night that the pipe line would be the business of the house today? All right, let us assume then that the government had asked for order No. 2. The clerk assistant stood up and started to read it. He got out only two or three words when Mr. Speaker rose and said something to the effect that before this is done or on this order I wish to dispose—

Mr. Fleming: Of parliament.

Mr. Knowles: —of the proposition, as we now know it, which he read to the house. I do not wish to bring in the names of any of the people who work for us and I am sure the clerk assistant does not mind my having mentioned the fact that he uttered a couple of words. I endeavoured to ascertain officially where we were at that point and the only answer I could get was that we were at the place that is sometimes indicated in *Hansard* or in *Votes and Proceedings* as "on the order" for such and such, in other words, that the discussion of Mr. Speaker's proposition took place on a certain order which had not yet been called. I was expecting that after Mr. Speaker's proposition had been disposed of and after the appeal of Your Honour's ruling had been disposed of the Speaker would then let the clerk assistant stand and read out order No. 2. But no, Mr. Speaker got out of the chair and left the chamber, and order No. 2 has not been read yet.

Therefore it seems to me that the point raised by the hon. member for Kamloops is a valid one, and in order to get this matter sorted out I think we had perhaps better separate it into two points. You had better rule first on the point raised by the hon. member for Kamloops and after that has been disposed of I will ask you to rule on my point that we are not properly in committee because you yourself did not get permission yesterday to sit again on Bill No. 298.

The Deputy Chairman: I should like to accept the suggestion made by the hon. member for Winnipeg North Centre that we try to stick to one point. The report is not completed yet but I ask the hon. member for Kamloops if this is a fair statement of the point of order he raised.

Mr. Fulton raised a point of order to the effect that the chairman was improperly in the chair since the order of the day for the house to go into committee on the said bill had not been read when Mr. Speaker was in the chair.

Mr. Fulton: I think that would be a fair statement of the point. I would perhaps prefer it to include more of the argument—

Some hon. Members: Oh, oh.

Mr. Fulton: —but as a bare statement of the point of order I think it is correct. May I, by way of one more argument, suggest this to you? Speaking from memory, it is my recollection that the words that should be recorded on the journals, by the authority of which alone you and this committee can sit, are these: "And the order of the day being read for the house to resolve itself again into committee, Mr. Speaker left the chair without question put and the house then proceeded in committee with the further consideration ...."

That is how it should appear in the journals kept before you by the clerk. It should be: "And the order of the day being read for the house to resolve itself again into committee of the whole, Mr. Speaker left the chair without question put", etc. It is only when that has taken place and when you have that before you as your authority to sit in committee of the whole that you can sit, and therefore the order of the day not having been read I say that you will search in vain for the order of reference to the committee for this day's proceedings at this stage.

The Deputy Chairman: For the information of the hon. member for Kamloops, I propose to add the following to what I previously read to him:

The chairman ruled that he was not in a position to rule upon the regularity of any proceeding which took place when Mr. Speaker was in the chair.

From which Mr. Fulton appeals?

Mr. Fulton: May I say I have not asked you to rule on the regularity of what took place when the Speaker was in the chair. I have asked you to rule whether you have any authority to sit here as chairman of the committee. Have you any terms of reference? Can you find any terms of reference or authority for today's sitting? I am not asking you to rule on what happened when Mr. Speaker was in the chair.

The Deputy Chairman: I must have my reasons for making my ruling as well as the hon. member for making his appeal. I consulted him as to the wording of the report on the point of order which he raised, and that is my reason for not making a ruling. I may be wrong and the hon. member will

no doubt appeal, but I regard it as requiring me to rule upon something which took place—

Mr. Coldwell: If you feel that you may be wrong then rule in line with British tradition and give the benefit of the doubt to the minority.

Some hon. Members: Oh, oh!

Mr. Coldwell: You have got the rights with your majority. You can do everything that you wish.

Mr. Rowe: You fellows would not understand.

The Deputy Chairman: The hon. member for Kamloops—well, I thought the hon. member for Rosetown-Biggar was addressing the Chair.

Mr. Coldwell: Somebody was addressing me from the other side and I was replying.

The Deputy Chairman: We are having a little difficulty reducing the report to writing. We seem to have too many drafts. I will read what I have here.

Mr. Fulton raised a point of order to the effect that the chairman was improperly in the chair since the order of the day for the house to go into committee on the said bill had not been read when Mr. Speaker was in the chair; and further, that only when the order of the day for the house to go into committee of the whole is read can the committee of the whole be resumed. The chairman ruled that he was not in a position to rule upon the regularity of any proceedings which took place when Mr. Speaker was in the chair.

Mr. Fulton: Would you care to add one phrase—

Some hon. Members: No.

The Deputy Chairman: Order.

Mr. Fulton: —as to the point on which I asked you to rule, to the effect that in addition there is no order of reference or authority for this sitting of the committee.

The Deputy Chairman: Have we not got that clear? Is it not covered by the words, "and further, that only when the order of the day for the house to go into committee of the whole is read can the committee of the whole be resumed"?

Mr. Fulton: Oh well, it will not make any difference to the vote anyway.

The Deputy Chairman: From which Mr. Fulton appeals.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

In committee of the whole, when it was considering clause 4 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation,

[The Deputy Chairman.]

Mr. Fulton raised a point of order to the effect that the chairman was improperly in the chair since the order of the day for the house to go into committee on the said bill had not been read when Mr. Speaker was in the chair; and further, it is only when an order of the day for the house to go into committee of the whole is read that the committee of the whole can be resumed. I ruled that I was not in a position to rule upon the regularity of any proceeding which took place when Mr. Speaker was in the chair. From that decision Mr. Fulton appealed.

Mr. Speaker put the question as follows:

In committee of the whole, when it was considering clause 4 Mr. Applewhaite reports that Mr. Fulton raised a point of order to the effect that the chairman was improperly in the chair since the order of the day for the house to go into committee on the said bill had not been read when Mr. Speaker was in the chair; and further that only when an order of the day for the house to go into committee of the whole is read can the committee of the whole be resumed. The chairman ruled that he was not in a position to rule upon the regularity of any proceeding which took place when Mr. Speaker was in the chair.

Whereupon Mr. Fulton appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Lusby

MacDougall	Ratelle
MacEachen	Reinke
MacKenzie	Richard (Ottawa East)
MacNaught	Richard (St. Maurice-Lafleche)
Macnaughton	Richardson
McCann	Roberge
McCubbin	Robertson
McCulloch (Pictou)	Robichaud
McDonald	Robinson (Simcoe East)
McIlraith	Ross
McIvor	Rouleau
McLeod	St. Laurent (Quebec East)
McMillan	Schneider
McWilliam	Shipley, Mrs.
Mang	Simmons
Masse	Smith (Battle River-Camrose)
Matheson	Stick
Michaud	Stuart (Charlotte)
Mitchell (Sudbury)	Thibault
Monette	Thomas
Murphy (Westmorland)	Tucker
Nickle	Viau
Pearson	Villeneuve
Philpott	Weaver
Pickersgill	Weir
Pinard	Weselak
Pommer	Winters
Power (Quebec South)	Yuill—144.
Power (St. John's West)	
Prudham	
Purdy	
Quelch	

NAYS

Messrs:

Balcer	Lennard
Barnett	MacInnis
Bell	MacLean
Blair	McBain
Bryce	McCullough (Moose Mountain)
Cameron (Nanaimo)	McGregor
Casselman	Michener
Castleden	Mitchell (London)
Charlton	Monteith
Churchill	Nesbitt
Coldwell	Nicholson
Diefenbaker	Nowlan
Dinsdale	Pearkes
Drew	Rea
Ellis	Robinson (Bruce)
Fairclough, Mrs.	Rowe
Ferguson	Stanton
Fleming	Stewart (Winnipeg North)
Fulton	Tustin
Hamilton (York West)	White (Hastings-Frontenac)
Hees	White (Middlesex East)
Herridge	Winch
Hodgson	Zaplitny—49.
Jones	
Knight	
Knowles	

Mr. Martin: I was paired. Had I voted, I would have voted in favour of the chairman's ruling.

And the house having resumed in committee:

The Deputy Chairman: Order.

Mr. Knowles: Mr. Chairman, I think it is not necessary for me to repeat my argument and my submission which I made to you earlier, but it is my view that this committee is improperly sitting because you, sir, did not obtain yesterday permission to sit again on Bill No. 298.

Mr. McIvor: Mr. Chairman, may I be allowed to say a word? The chairman is continually sitting and, in the first place, he got that permission.

Mr. Rowe: When did you give it to him, Dan?

Mr. Knowles: May I have your ruling, sir, rather than that of my friend the hon. member for Fort William?

The Deputy Chairman: Once again I would ask the hon. member for Winnipeg North Centre to listen to me and to interrupt me if I am wrong, but not otherwise. He is making the point that the chairman at the moment has no right to occupy the chair of this committee because when we left this committee yesterday permission to sit again was not asked for and obtained.

Mr. Knowles: That is correct.

The Deputy Chairman: My ruling, of course, is that I am legally here and that the committee is legally constituted because I feel the interpretation which the hon. member places upon the rules and the procedure of this house would of necessity result in absurdity at times and I would not take the responsibility of so ruling. However, I am not putting it at that length in the written report.

Mr. Knowles: Mr. Chairman, because I believe the *Votes and Proceedings* or *Journals* make it clear that no such permission was obtained yesterday and because on that basis I feel Bill No. 298 died at ten o'clock last night I appeal your ruling.

The Deputy Chairman: For the information of the hon. member for Winnipeg North Centre, I propose to report that the hon. member for Winnipeg North Centre raised the point of order that the committee was improperly constituted since the chairman at Thursday's sitting failed to obtain leave to sit again and the chairman ruled that the point of order was not well taken.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

When in committee of the whole on clause 4 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order that the committee was improperly sitting since the chairman at Thursday's sitting failed to obtain leave to sit again. I ruled that the point of order was not well taken, whereupon Mr. Knowles appealed to the house from the ruling of the chairman.

Mr. Speaker put the question as follows:

Mr. Applewhaite reports that when in committee of the whole on clause 4 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order that the committee was improperly sitting since the

chairman at Thursday's sitting failed to obtain leave to sit again. The chairman ruled that the point of order was not well taken, whereupon Mr. Knowles appealed to the house from the ruling of the chairman.

Those who are in favour of sustaining the chairman's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to sustaining the chairman's ruling will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Masse
Matheson
Michaud
Mitchell (Sudbury)
Monette
Nickle
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
Winters
Yuill—142.

NAYS

Messrs:

Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Hamilton (York West)
Hees
Herridge
Hodgson
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pearkes
Rea
Robinson (Bruce)
Rowe
Stanton
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—47.

And the house having resumed in committee:

Mr. Fleming: Mr. Chairman, the two points of order which have been raised already in the committee relate to the whole proceedings of the committee and your right to preside in the committee and the right of the committee to sit as a committee of the whole. The point I should like to raise now is that the business which has thus far come before the committee, which you purported to deal with from the chair, is a nullity.

I base this upon two aspects of the motion which you put so precipitately this afternoon, denying at the time the right of hon. members who were on their feet to address you on important points of order and questions of privilege. My point concerns both the motion itself and the notice which preceded it. The terms of the motion are found at

page 4498 of yesterday's *Hansard*. This is the motion of the Prime Minister:

> That at this sitting of the committee of the whole house on bill 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill and any amendments proposed thereto, shall be the first business of this committee and shall not further be postponed.

I draw your attention, sir, to the words, "at this sitting." The sitting to which those words had reference was clearly the sitting of May 31 and not the sitting of Friday, June 1. For that reason, sir, as well as for other reasons that I shall now lay before you, now that you are hearing points of order after your refusal to hear points of order at the time when they would have been significant, I am submitting to you that the motion is abortive and the proceedings that you have attempted to preside at this afternoon in this committee of the whole are abortive and a nullity. If the rules mean anything any more—

Mr. Knowles: They don't.

Mr. Fleming:—and it is doubtful if anything remains of them after today but the merest shreds and tatters—standing order 33 provides, or did provide formerly, as follows:

> Immediately before the order of the day for resuming an adjourned debate is called, or if the house be in committee of the whole, or of supply, or of ways and means, any Minister of the Crown who, standing in his place, shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause or clauses, section or sections, preamble or preambles, title or titles, shall be the first business of the committee, and shall not further be postponed; and in either case such question shall be decided without debate or amendment; and if the same shall be resolved in the affirmative, no member shall thereafter speak more than once, or longer than 20 minutes in any such adjourned debate; or, if in committee, on any such resolution, clause, section, preamble or title; and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

Let me boil down the language of that lengthy rule so as to confine the statement of it to the points that are strictly relevant to the point now raised in committee of the whole. The words, I think, remaining, would be these:

> Immediately . . . in committee of the whole . . . any Minister of the Crown who, standing in his place, shall have given notice at a previous sitting of his intention so to do, may move . . .

—a motion concerning the postponement of consideration of any clause. I would like to be able to argue the question, but I take it that it is useless here arguing a question which was raised yesterday, in regard to the application of rule 33 to the kind of motion that the Prime Minister put forward. Whilst yielding nothing on the point that was raised yesterday by my colleague, the hon. member for Kamloops, I proceed from that point on the assumption that the action taken by the committee, in my opinion quite improperly, on an invalid ruling of your own prevents me from attacking the motion as such. I therefore argue the point now, sir, on the basis that, although such a motion may be in order in proper circumstances, it is not in order today. That is the point that I tried to put before you, when you turned a deaf ear to all such points. I was trying to say to you that, even though the ruling of yesterday, which was purported to be sustained by the Chair today, was a ruling that the motion was in order yesterday, that is not tantamount to its being in order today, because it was a motion relating to yesterday's sitting. It is not and never was a motion relating to today's sitting.

Note that language of rule 33. Notice that may be given by a minister of the Crown is notice given at a previous sitting of his intention to move. I take it that it is arguable, in view of the word "a" before "previous sitting", that it is not strictly necessary that the minister of the Crown giving his notice of his sectional closure should give it for the next day. He could give it for a later date. For instance, when the Prime Minister gave his notice on Wednesday, he might have chosen to give it for Friday instead of Thursday. That might be an arguable point, in view of the word "a" before the words "previous sitting." Whilst that may be an arguable position, sir, I submit to you that, if the notice is given for the next sitting of the house and if the motion is moved at that next sitting, its effect is immediate as to that particular day. In that respect it is different from other motions. This is a particular type of motion.

Rule 33 is the only code in the standing orders attempting to deal with the procedure on closure motions. We have a situation, undoubtedly, which is unprecedented, and in that unprecedented situation I say to you that to permit this motion to be put today means a wrenching of the provisions of standing order 33 out of all possible recognition.

If that motion had been resolved in the affirmative yesterday, its effects would be immediate as to yesterday. Immediately on its being passed, all speeches would be confined to 20 minutes, and the questions before

the house would have to be resolved at one o'clock a.m. following. The effects of such a motion cannot be postponed. Standing order 33 deals in terms only with the case where the motion is resolved affirmatively. There is a hiatus in this rule as to a situation, such as developed here last night, where the motion was not disposed of. In that unprecedented situation, sir, there being nothing in rule 33 to preserve the effect of the notice or to preserve life in that motion so that it should have some life beyond yesterday, I say to you that that motion perished at ten o'clock last night and nothing that has been done since could revive that motion. Indeed, nothing that could have been done yesterday or that might have been done yesterday could have given that motion life beyond ten o'clock last night if it had not been affirmatively decided prior to ten o'clock last night.

Let us look now, sir, at the effect of the notice because rule 33 attaches very great importance to the notice given. Indeed, the rules of this house place the highest importance upon notice of all motions requiring notice, and we have had many examples, some of them in quite recent days, where the chair has ruled on the importance of notice. Rule 33 is extremely important in its provisions with regard to the giving of notice. What was the notice under which the committee was proceeding to deal with this motion yesterday? It was the notice given by the Prime Minister the day before, May 30, and that notice is to be found at page 4465 of *Hansard* of that date in the first column. You will not find this notice in *Votes and Proceedings* or in *Routine Proceedings and Orders of the Day. Hansard* is the only record of the notice given by the Prime Minister of the motion. After making that bogus offer designed to bring the opposition into line, to submit to the steamroller, he proceeded with these words:

> Meanwhile, I have no choice, if the deadline which the government faces is to be met, but to give notice and I hereby do give notice pursuant to standing order 33 that at the next sitting of this committee—

Note, Mr. Chairman, the words "the next sitting".

> —of the whole house on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, I will move that the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill and any amendments proposed thereto, shall be the first business of the said committee and shall not further be postponed.

Note, sir, that the notice given by the Prime Minister was a notice that at the next sitting of the house he would submit this motion. The next sitting of the house was the sitting on May 31. It was not and is not the sitting of June 1, and there can be no doubt about that in view of the terms of the motion itself when the Prime Minister followed up his notice by motion yesterday "at this sitting", namely, the sitting of May 31.

This was a motion, sir, for a day certain. It is not one of those general motions preceded by a general notice. It was a notice for a day certain of this particularly objectionable type of motion. If the motion was in order then the notice was correct in form for a motion to be submitted yesterday. The motion was moved in compliance with that notice so far as the notice was correct. Therefore, sir, the notice served its purpose and, indeed, its complete purpose. When the Prime Minister rose in his place yesterday and moved that motion the effect of the notice at that moment became completely spent. The notice was at that moment functus.

The requirement of the rule in regard to the notice had been satisfied at that moment if the motion was in order, and the motion having been moved nothing then remained of the notice. The notice had served its purpose. It had become spent. It became spent when the Prime Minister offered his motion. Therefore, sir, it cannot be relied upon as a basis for any other motion, so you see that if the Prime Minister had moved today a motion similar to the one he moved yesterday and had attempted to justify such a motion, so far as notice was concerned, by relying upon the notice he gave the committee of the whole on May 30 it would have been an invalid notice because that notice no longer existed. Its effect was fully spent. And, sir, a motion to apply the effect of standing order 33 now in this committee of the whole would require on the part of the Prime Minister today a new notice of motion for a motion to be put at another and later sitting, and the earliest one for which he could give notice today would be the sitting on Monday next.

Now, sir, had the Speaker been in the chair at this moment, when I hoped to raise part of this argument, I would have called to his mind, in the light of his experience at the bar, that the effect of a notice is twofold. Any notice of motion, whether in a chamber like this or in proceedings before some judicial tribunal, is twofold. It is designed to give notice that at a particular time on a particular day and usually at a particular hour a particular proceeding will be launched. The second purpose is to give knowledge of the content or purpose of that particular proceeding. The time that the notice of motion gives knowledge of is just as important as the content of the proceedings or the purpose of the proceeding that is to be launched at the time set forth in the notice of motion, and the purpose of the time

element in any notice of motion is just as important as is the element of content.

This is an unprecedented situation, sir, and I say to you that, lacking any precedent, lacking any express provision in standing order 33 to deal with a situation where the motion is not disposed of on the day on which it is moved, you have no right to rule that the motion retains some life, some effect which standing order 33 does not declare it to possess or retain because if you made such a ruling you would be reading into the terms of standing order 33 provisions that are not contained there.

While there is no precedent on this matter, nevertheless there are some precedents in cognate situations that I think ought to be some guide to us. For instance, sir, in Beauchesne, third edition, page 126, citation 315, you will find two short paragraphs of one sentence each which I should like to read to you. It reads:

> A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice.
>
> A new notice must be given in the *Votes and Proceedings*, under standing order 45, when a material change is to be made to a notice of motion before it is taken up by the house.

A material change in this notice of motion would have been a change in the date because the date on which the motion is to be moved is just as important an element in the notice of motion as is the content of the motion that is to be moved. There you have a cognate citation. It is not under standing order 33 but it is a relevant and cognate citation as applied to any change in a notice of motion. It cannot be done without proper notice and there was no notice given here. The reference there is to the *Journals* of the house, volume 65, pages 200 and 201. I will just touch on that very briefly, sir. It is a ruling on March 26, 1928. The Speaker is dealing with standing order 45 which prescribes 48 hours' notice and he proceeds to say:

> It is true that according to paragraph 363 of Beauchesne's Parliamentary Rules and Forms, a modification of a notice of motion may be permitted. That paragraph reads as follows: "A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice". The above reference is taken from May, 13th Edition, page 234, where the following is found: "A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice". The next sentence however, reads as follows: "If a motion is proposed, which differs materially from the terms of the notice, it can only be made with the consent of the house, or upon a renewal of the notice".

If the consent of the house is unanimous, such a motion may proceed. But failing unanimous consent and failing renewal of the notice, such a motion cannot proceed. I say to you, Mr. Chairman, that a fortiori that rule applies with infinitely greater strength to a motion under standing order 33 than it does to the generality of motions requiring 48 hours' notice under the rules of the house.

An hon. Member: Sit down.

Mr. Fleming: I note that is the hon. member for Pontiac who likes to talk that way, who always does his talking sitting down.

The Deputy Chairman: Order. The hon. member's time has expired but I would be grateful if the committee would give unanimous consent for him to give me these other references.

Some hon. Members: Agreed.

Mr. Fleming: I shall be brief. That paragraph at page 374 of May under the heading "Renewal of Notices of Motion" reads as follows:

> A notice of motion standing upon the notice paper for the day's sitting, which is not brought on before the adjournment of the house, disappears from the paper, unless the member in whose name the notice stands, or a member in his behalf, gives a direction at the table for the replacement of the notice upon the notice paper for a future day.

That is not a citation, of course, under rule 33 because there is no British counterpart of rule 33. But it emphasizes the importance of maintaining the integrity of that rule with regard to the requirement of notice. Further, at page 377 there is this paragraph under the heading of "Change of Day for a Motion":

> Should a member desire to change the day for which he first gave notice, he must defer the notice to a more distant day, it being irregular to fix an earlier day than that originally chosen; nor can this rule be evaded by changing the motion into an amendment to another question.

This is not a situation where an attempt is made to advance the day on which the motion is returnable according to the notice but it is an attempt to use a notice, returnable yesterday on a motion which was then proceeded with but not disposed of, as though it had some lingering or surviving effect.

The final paragraph is on page 379 under the heading "Change of Terms of Notice of Motion":

> A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice. If a motion is proposed, which differs materially from the terms of the notice, it can only be made with the consent of the house, or upon a renewal of the notice.

Mr. Chairman, there was here no renewal of the notice. The motion died last night at ten o'clock. Any proceedings in this committee today purporting to be proceedings on

the motion moved yesterday by the Prime Minister or any motion purporting to be based upon the notice that the Prime Minister gave in this house on May 30 are a complete nullity.

Then there is the final point, Mr. Chairman, that where, in the absence of express words or a clear citation or the clearest kind of precedent, there is no provision in our rules or in the jurisprudence based upon those rules requiring the chair to rule that this motion has any surviving effect after ten o'clock last night until this day, it is the duty of the chair to give the strictest type of interpretation to any such rule as this, which is a harsh rule in the first place and which derogates from the proper rights of members of a free parliament. Far from this being a rule with which the chair can be fast and loose in its treatment, this is a standing order that requires the most punctilious respect for and the most meticulous adherence to every provision of it. That has not been given, Mr. Chairman. I say to you, on what I conceive to be as important a question of order as is likely to come before this house at any time in its history, that the entire proceedings in this chamber this afternoon in this committee of the whole are abortive; they are a nullity; and the conduct of the chair in arbitrarily refusing to permit even so much as a statement of this important question of order, let alone argument to the chair upon so important a question, makes the proceedings in this committee a travesty of democracy.

It may be late in the day, Mr. Chairman, in view of the action that you have taken in denying to members of this committee their proper rights to raise important questions on the proper interpretation of the orders that govern this house—or which once, I should say, governed it, because we now must speak of the rules in the past tense—but I raise it. This is so important a question that it ought to be raised now. It ought to be raised to the humiliation of this committee of the whole today and to the humiliation of the government on whose shoulders, in the last analysis, rests responsibility for the travesty that has been committed upon parliamentary freedom and the integrity of the Canadian parliament this day. This is a point of order that affects everything that is going to happen in this committee from this point on. While you have gone so far—as far, I suggest, as any chairman can go, in view of your conduct at the opening of the committee today—to prevent a point of such great importance being raised when normally it would be raised and when I sought to raise it, as I had sought in the house to raise it several times already before the Speaker fled from the chair, I ask to raise it now because I say to you that it now being five o'clock—

The Deputy Chairman: Order.

Mr. Fleming: May I just finish; I was in the last sentence. I submit that this motion died at ten o'clock last night and that it cannot be revived today; and that the attempt to carry the motion this afternoon was a complete failure. At five o'clock this afternoon we proceed to private bills. At six o'clock the house rises. If there is any attempt in this committee to do anything to the contrary I submit that it will be abortive and it will be a nullity.

Mr. Cannon: Mr. Chairman,—

Some hon. Members: Five o'clock.

The Deputy Chairman: It is now five o'clock and I am leaving the chair in order that private and public bills may be proceeded with. The committee will resume its deliberations at this stage at six o'clock p.m. or when private and public bills have been disposed of, whichever is the sooner. Meanwhile it will be my duty to inform Mr. Speaker that the matter being considered in committee is under closure.

Mr. Fleming: Mr. Chairman, that involves a ruling on my point, I take it, and I wish to appeal your ruling.

Some hon. Members: Five o'clock.

The Deputy Chairman: At six o'clock the committee will resume.

PRIVATE BILLS

Mr. Speaker: Order. There are several bills coming up for second reading. They are all divorce bills. Shall we take them one by one?

Mr. Henderson: I would ask that order No. 46, second reading of Bill No. 366, for the relief of Ruth Carol Friedman Allen, be allowed to stand.

Mr. Nicholson: We cannot hear down in this corner.

Mr. Speaker: The hon. member is asking that item No. 46 be allowed to stand. Shall it stand?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

SHIRLEY SUSAN MORRIS DUGGAN

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 374, for the relief of Shirley Susan Morris Duggan.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

MAUREEN EVELYN ALLISON COOPER

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 375, for the relief of Maureen Evelyn Allison Cooper.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

WILLIAM WINDSOR FREWEN

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 376, for the relief of William Windsor Frewen.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

ETHEL HANSEN ECHLIN

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 377, for the relief of Ethel Hansen Echlin.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

MURIEL DOREEN SOUTHALL FISHER

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 378, for the relief of Muriel Doreen Southall Fisher.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

Mr. Speaker: I see that all these bills are being carried on division without any debate. May I renew my request that perhaps these bills, if it is agreeable, be taken in one motion?

Mr. Nicholson: May I ask whether Bill No. 380 is standing? There is a great deal of evidence in connection with this case and perhaps the hon. member would like this one to stand as well as Bill No. 366? It is a contested case.

Mr. Henderson: Bill No. 366 has already stood, and I concur in the standing of Bill No. 380 at the request of the hon. member.

Mr. Speaker: Therefore, order No. 53 will stand. Is it agreed that order No. 52 and orders Nos. 54 to 60, inclusive, be taken in one motion?

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that these bills be now read a second time?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 379, for the relief of Paulette Lavallee Plotkin.—Mr. Henderson.

Bill No. 381, for the relief of Peter Butler. —Mr. Henderson.

Bill No. 382, for the relief of Ivy Umilta Gooding Joseph.—Mr. Henderson.

Bill No. 383, for the relief of Margaret Lash Johnston.—Mr. Henderson.

Bill No. 384, for the relief of Ethel Simon Baroff.—Mr. Henderson.

Bill No. 385, for the relief of Golda Cohen Winter.—Mr. Henderson.

Bill No. 386, for the relief of Henriette Lessard Hughes.—Mr. Henderson.

Bill No. 387, for the relief of Ewart Ernest Clouston.—Mr. Henderson.

FINANCIAL ADMINISTRATION ACT

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

On the order:

Resuming the adjourned debate on the motion of Mr. Poulin for the second reading of Bill No. 149, an act to amend the Financial Administration Act.

Mr. Speaker: The hon. member for Beauce is unavoidably absent today and he expressed the wish that this debate be allowed to stand. Is it agreed?

Mr. Harris: I do agree, but I would like it understood that I intend to speak on it.

Mr. Speaker: Yes. Is it agreed that the debate stand?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

CRIMINAL CODE

AMENDMENT RESPECTING PAYMENT OF FINES UNDER SUMMARY CONVICTION PROVISIONS

The house resumed, from Friday, April 20, consideration of the motion of Mr. Diefenbaker for the second reading of Bill No. 167, to amend the Criminal Code (payment of fines).

Mr. Speaker: The hon. member for Prince Albert. If he speaks now, he will close the debate.

Mr. Harris: On a point of order, Mr. Speaker, as I think my hon. friend knows, the Minister of Justice cannot be here today. Will he permit the discussion to stand, or, if the discussion continues, all I can say is that we want it adjourned so that the minister might speak.

Mr. Diefenbaker: Mr. Speaker, this bill was introduced here some weeks ago, and the debate is one that I would like to bring to a conclusion.

Mr. Harris: Go ahead.

Mr. Diefenbaker: For that reason I wish to proceed. A member supporting the government has already spoken on the subject. I would like to conclude this matter at this time.

Mr. Speaker: Well, if no other hon. member wishes to speak, the hon. member for Prince Albert will now close the debate.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this matter was before the house on April 20, at which time I discussed the situation at some length. I was followed by the hon. member for Yorkton (Mr. Castleden) and the hon. member for York-Scarborough (Mr. Enfield).

This bill has to do with the removal of one of those anomalous things that through the years have been on the statute books of our country and to a very large degree have made their contribution to our jail population. The amendment, if I might just refer to it in general terms, sir, suggested by myself, provides that where a fine or a pecuniary penalty or a sum of money is adjudged to be paid, before a warrant committing any person for failure to pay the fine is made, the court which passed the sentence must be satisfied that the individual in question is possessed of sufficient means to enable him to pay the fine forthwith; or, unless no request for time is granted; or, finally, unless the court for any other reason expressly desires that no time shall be allowed.

In other words, it does not in any way encourage the commission of crime on the part of those who because of their financial position would be unable to pay a fine should they be convicted of an offence. It is no encouragement to anyone to commit a crime because there is a section under the amendment that I bring before this house whereby a magistrate may in proper cases deny to the individual convicted an opportunity of paying his fine or an extension of the time in which to pay the fine.

Over and over again in my own experience in the courts, and I am sure in the experience of hon. members of this house who are not members of the legal profession, I have seen men and women whose only offence was one that should have been subject to a fine and because of their inability to pay the fine they were placed under the stigma of imprisonment.

The amendment I suggest is nothing new under the British system of the administration of justice. I drafted the amendment I have placed before the house in almost identical terms with that which was introduced in Britain in 1914 in the month of August. It was supported at that time, as many members know, by such outstanding members of the British House of Commons as Sir William Anson, one of the most renowned names in the history of British jurisprudence; Samuel Hoare, afterwards one of the ministers of the cabinet; Joynson-Hicks, who later became a cabinet minister; Robert Harcourt; Hamer Greenwood, that great Canadian whose birthplace was Whitby, Ontario; Sir John Simon, afterwards a Lord High Chancellor; Sir Stanley Buckmaster, afterwards a Lord High Chancellor; Augustine Birrell, later a prime minister; H. H. Asquith, also a prime minister; Stanley Baldwin and Ramsay MacDonald, both of whom in subsequent years became prime ministers of Great Britain. In other words, the amendment I suggest was introduced and passed in the British parliament more than 43 years ago and it had the result of reducing the jail population of Britain by approximately 80,000 a year. I am sure there is no one today who suggests that because a person is unable to pay a fine there can be any justice in imprisoning that person without giving him an opportunity of paying that fine by an extension of time or by instalment payments and thereby discharging his debt to society. There is gross unfairness, when a fine is a suitable and proper punishment, that a person who through no fault of his own finds himself unable to pay the fine should be stigmatized while on the other hand a person with adequate resources and an income sufficient to meet the immediate fine that is imposed is thereby protected from imprisonment.

I was unable to secure statistics from the various provinces in Canada in order to place them definitely before the house; but, as I stated in introducing this measure, with the exception of the provinces of Quebec and Ontario no provinces have kept any records. The best estimate I can make on the basis of the statistics I have is that each year in Canada 35,000 or 40,000 Canadians are in prison not because the offences they committed deserve jail but simply because they have been fined and have been unable to pay the fine.

As the law is at the present time, magistrates have the right if they so choose to grant an extension of time for payment. Because this is not obligatory it means that those magistrates who by reason of their own humanity desire to assure a larger measure of justice than some who have not that same degree of humanity find themselves subject to criticism when they do grant time in the jurisdiction under which they operate. In granting time they increase the degree of

administrative work that otherwise is entirely removed by the simple expedient of saying that the fine is so much and the alternative is so many days, weeks or months in jail and unless payment is made forthwith a warrant of commitment is issued and the person is immediately incarcerated in jail.

To send people to jail because of their poverty is not only detrimental to the citizenship of the individual so stigmatized but it also adds immeasurably to the cost of keeping prisoners in jail which by the adoption of an amendment such as I suggest would be almost completely removed. It can be done with justice because the discretion still remains with the magistrate, after making an investigation, to decide that because of the seriousness of the offence a prison sentence is justified or because in his opinion the person, while pretending poverty, would be able to pay the fine if he chose to do so. The magistrate may then simply endorse a warrant of commitment indicating his reason why the individual in question is not permitted to pay the fine by instalments.

The amendment I suggest is supported by Chief Justice McRuer of the Supreme Court of Ontario, who on more than one occasion has pointed out the injustice that is being done today.

I maintain, sir, that the maintenance of this section of the criminal code in its present form is a denial of the advances that have been made in criminology in the last 40 years. It is a denial of simple justice. It makes justice a matter of the possession of dollars and cents. It makes imprisonment the alternative for failure to pay to the individual who is poor. It denies equality because the person who is able to pay escapes imprisonment but the person who is unable to pay is branded for the rest of his life as one unworthy to be considered a good citizen because of the imprisonment he has suffered.

One of the things that above everything else we endeavour to maintain today in our system of democracy is equality as between citizens. Democracy cannot live when a shameless sham is made of rules of conduct or when the law ceases to deal equally as between individuals. Above everything else the essence of democracy depends on the equality of the individual, whatever his station in life and whatever his financial condition may be. It depends as well on the equality of the individual's rights whether that individual belongs to a majority or a minority. It cannot survive when minorities are coerced by perversions or distortions or deliberate evasions of the principle of equality of all under the law.

Generally speaking, this amendment has received the support of the press in all parts of Canada. In almost every case the attitude has been that this is a reform which is long overdue. The general summary of views is expressed in an editorial in the Edmonton *Journal* of April 24. I shall read only the portions that deal with the situation in question. After a very generous reference to myself in regard to my zeal for legal reform and the protection of civil liberties, it goes on to say:

> He showed this again last week by introducing an amendment to the Criminal Code to eliminate, or at least largely reduce, imprisonment for non-payment of fines.
>
> This is certainly one of the outstanding abuses of the present administration of justice. In all too many police courts across Canada, the conviction of a defendant on a minor charge is automatically followed by the imposition of a fine with imprisonment as an alternative—the traditional "thirty dollars or thirty days". If the accused has the money to pay the fine immediately, he walks out a free man. If he hasn't the money he goes to jail—which involves not only loss of liberty for a month or more, but social disgrace and often loss of employment. This system is thoroughly bad and indefensible. It not only works great hardship on individuals who have been guilty only of petty offences; it also sets up a different scale of punishments for those who have money and those who have not—a thing wholly contrary to sound ideas of justice.

And again:

> As far as it goes, however, Mr. Diefenbaker's amendment is a marked improvement on current practice. It should remove a serious source of injustice and inequality from our criminal laws, and also greatly reduce the number of men and women imprisoned for trivial breaches of law. It is to be hoped that the government will not obstruct its passage.

This is a reform which has been asked for by bar associations across Canada over the years. It has been asked for by John Howard societies. It represents an advance which Great Britain has found during the past 42 years to work successfully. In submitting this amendment to the house I ask the government to remove the whip and allow this matter to be considered, on the basis of a reform, by each individual personally. It represents a serious endeavour to assure and maintain equality of justice within our country and to remove one of the most serious anomalies in the criminal law as it is now administered.

It will pay dividends in good citizenship for it will assure that in the years ahead those who otherwise would be penalized because of imprisonment and who later on in life might desire to secure positions requiring bonds and the like would not find themselves denied those desires by the fact that some petty offence had been committed at some time in their lives for which a fine under the law was sufficient and for which

a fine in the opinion of the magistrate would meet the ends of justice. It would also pay dividends to the Canadian people as a whole by reducing the numbers of those in Canadian jails, which numbers are as high as if not higher than those of any nation among the free nations.

You and I must consider that every year 100,000 Canadians go to jail, a considerable percentage because of their inability to pay a fine. We must realize that something should be done to remove from Canada's name a record which is unenviable and which is certainly not justified on the basis of modern criminology. It is not as though I were bringing to this house something that has not been tried. I bring to this house an amendment which has behind it more than 40 years' experience of trial experiment in Great Britain. It has been found to be successful; it has brought about an amelioration of conditions in Great Britain in a penological way. It has reduced the number of Englishmen, Scotsmen and Irishmen who find themselves at some time or another in jail. It has done something more; it has reduced the numbers in penal institutions of those who later in life under our system, because they have had a previous jail sentence, are often denied that consideration to which they should be entitled on the commission of a latter offence.

I commend this amendment to the attention of the house, not only in the interests of the individual who is unable to pay a fine but also in the wider sense of its contribution to better Canadian citizenship and its contribution toward the raising of our penological standards and the emptying of our jails of many who should not be there.

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

YEAS

Messrs:

Balcer
Barnett
Bell
Blackmore
Blair
Bryce
Cameron (Nanaimo)
Castleden
Charlton
Churchill
Diefenbaker
Dinsdale
Drew
Ellis
Fulton
Hahn
Hamilton (York West)
Hansell
Herridge
Hodgson
Holowach
Johnston (Bow River)
Jones
Knight
Knowles
Low
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nickle
Pearkes
Quelch
Rea
Rowe
Smith (Battle River-Camrose)
Stanton
Stewart (Winnipeg North)
Thomas
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Yuill
Zaplitny—50.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Deslieres
Dickey
Dumas
Dupuis
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gourd (Chapleau)
Gregg
Habel
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Masse
Michaud
Mitchell (Sudbury)
Monette
Pearson
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Thibault
Tucker
Villeneuve
Weaver
Weir
Weselak
Winters—125.

Mr. Speaker: I declare the motion lost.

INCOME TAX ACT

AMENDMENTS RESPECTING ASSESSMENTS, BOOKS AND RECORDS, ETC.

On the order:

Resuming the adjourned debate on the motion of Mr. Fulton for the second reading of Bill No. 52, an act to amend the Income Tax Act.

Mr. Fulton: Stand.

Mr. Speaker: Is there unanimous consent for this debate to be allowed to stand?

An hon. Member: No.

Mr. Speaker: If not, hon. members could rise and speak to the motion. Do I take it that it is agreed?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

CIVIL SERVICE ACT

AMENDMENT TO GIVE PREFERENCE TO BILINGUAL CANDIDATES

On the order:

Resuming the adjourned debate on the motion of Mr. Girard for the second reading of Bill No. 159, an act to amend the Civil Service Act.

Mr. Speaker: I was informed that the hon. member for Lapointe would be unavoidably absent and he has requested that I ask for unanimous consent in order to allow this debate to stand. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL HOLIDAYS WITH PAY FOR EMPLOYEES

On the order:

Resuming the adjourned debate on the motion of Mr. Knowles for the second reading of Bill No. 211, an act to provide for annual holidays with pay for employees.

Mr. Stanley Knowles (Winnipeg North Centre): On a question of privilege, I would be happy to proceed with this bill but the Minister of Labour (Mr. Gregg) has the adjournment and I am prepared to leave it up to him.

Mr. Gregg: Stand.

Mr. Speaker: Is it agreed that this debate be allowed to stand?

Some hon. Members: Agreed.

Mr. Knowles: Until next time.

Mr. Speaker: Stand. Is it agreed that the other two be allowed to stand as well?

An hon. Member: Which ones?

Mr. Castleden: No.

FARMERS' CREDITORS ARRANGEMENT ACT

AMENDMENTS REMOVING LIMITATIONS RESPECTING DATE OF DEBT, ETC.

On the order:

Resuming the adjourned debate on the motion of Mr. Castleden for the second reading of Bill No. 350, an act to amend the Farmers' Creditors Arrangement Act.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I too should like to have the debate on second reading of this bill continued. However, I believe the debate was adjourned by the Minister of Justice (Mr. Garson). I understand that the Farmers' Creditors Arrangement Act is administered by the Minister of Finance (Mr. Harris). If he would care to carry on, I should very much like to see the debate continue and the bill given second reading, if possible.

Mr. Harris: On a point of order, I would be glad to do that but, frankly, the Minister of Justice had the carriage of the matter in the house and, as the hon. member knows, the Minister of Justice is in the hospital at the moment. I will not hold up the hon. member and if by the next time the bill is called the Minister of Justice is not available I will be prepared to speak.

Mr. Speaker: Is it agreed that the debate be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

INDUSTRIAL RELATIONS

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

The house resumed, from Tuesday, May 29, consideration of the motion of Mr. Knowles for the second reading of Bill No. 5, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am hesitating only because I wonder whether the hon. member for Burin-Burgeo (Mr. Carter) wishes to continue his speech or whether I may speak now and close the debate.

Mr. Speaker: Is the hon. member for Burin-Burgeo continuing his speech?

Mr. C. W. Carter (Burin-Burgeo): I move that the debate be adjourned, Mr. Speaker.

Mr. Speaker: That is really not speaking to the motion very long, but nevertheless—

Mr. Knowles: He might have said a sentence or two before he did that.

Mr. Speaker: Yes. Is it the pleasure of the house that this debate be adjourned?

Mr. Knowles: On division.

Motion agreed to on division.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

The house resumed consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation —Mr. Howe (Port Arthur)—Mr. Applewhaite in the chair.

On clause 4—*Body corporate.*

The Deputy Chairman: The hon. member for Iles-de-la-Madeleine.

Mr. Cannon: Mr. Chairman—

Mr. Churchill: On a point of order, Mr. Chairman, are you going to give a ruling with regard to the point of order raised by the hon. member for Eglinton?

The Deputy Chairman: The hon. member for Iles-de-la-Madeleine is speaking on the same point of order as was raised by the hon. member for Eglinton.

Mr. Cannon: That is it, Mr. Chairman. I listened with care to the arguments that were developed by the hon. member for Eglinton on the point of order that he raised. I took note of his learned dissertation on notice and the objects of notice, which I found rather elementary. I also noticed his snide and unpleasant remarks towards you, Mr. Chairman, about which I shall have a few words to say, and I also noted his references to making a farce of parliamentary procedure.

His argument on the point of order itself left aside the most important thing that he should have discussed, and that, Mr. Chairman, was the matter that was placed before the house by Mr. Speaker this afternoon, and it was in these words:

> That in neglecting to submit at once to the house, yesterday, the report of the chairman of committees on an appeal from his ruling by the hon. member for Winnipeg North Centre, I made a serious mistake, that the house should not suffer any prejudice or detriment on my account and that the house, which is master of its own procedure, should be placed immediately in the same position as it was when I resumed the chair yesterday to submit the chairman's report to the house. This action I submit to the judgment of the house.

The house voted on that, Mr. Chairman; and you will remember—and I am sure the public will take notice of it—that the vote on that was unanimous. There was a unanimous vote in the house, 142 to 0.

Mr. Nicholson: What is the motion again?

Mr. Cannon: I just read it to you.

Mr. Knowles: There was no motion.

Mr. Cannon: I said the matter that was submitted to the house.

Mr. Nicholson: You cannot vote on a matter.

Mr. Cannon: I have read the matter that was submitted to the house.

Mr. Nicholson: You cannot vote on a matter.

Mr. Cannon: I shall now say a few words on that text. The important words there are:

> . . . that the house, which is master of its own procedure, should be placed immediately in the same position as it was when I resumed the chair yesterday to submit the chairman's report to the house.

At that time we were going to take a vote. We had been sitting in committee of the whole. We were proceeding in the committee and objection had been taken to a motion made by the Prime Minister. You, Mr. Chairman, gave your ruling on the objection. Your ruling was appealed to the house by the hon. member for Winnipeg North Centre, if my memory is correct.

Mr. Knowles: Correct.

Mr. Cannon: And the Speaker was on the point of putting the question to the house but another matter intervened. If the question had been put to the house at that time, what would have happened? The matter would have automatically been referred back to the committee. The incident that consisted in your ruling and the appeal from your ruling came to an end and the matter that was being studied by the committee at that time—that is Bill No. 298—would have reverted automatically to the committee. I submit that the result of this vote of the house—which once again was a unanimous vote—was that after the vote took place this afternoon the same thing happened as would have happened if the vote had taken place yesterday.

Mr. Knowles: The majority is ruling that today is yesterday.

Mr. Cannon: The judgment of the house reads:

> . . . that the house . . . should be placed immediately in the same position as it was when I resumed the chair yesterday to submit the chairman's report to the house.

Mr. Nicholson: What a silly statement.

Mr. Cannon: The house being placed immediately in the same position as it was yesterday, I say that automatically after the

vote took place this afternoon that should have taken place yesterday, the matter that was being considered by the house yesterday before this incident intervened was referred to the house again and the house therefore was in possession of the discussion of that Bill No. 298 in committee.

Mr. Knowles: I suppose that makes today Thursday and tomorrow Friday, because of a majority vote.

Mr. Cannon: I have just explained to the hon. member that the result of the unanimous vote of the house was to put us in the same position as we would have been yesterday if the vote had taken place yesterday. That is clear. If the hon. member does not understand English or—I should say "if he does not understand this English,"—he can get a copy of the decision of the house or I can send this one over to him and he can read it. I say that is a most important point, Mr. Chairman, and that it was not covered by the hon. member for Eglinton in his argument. I draw the conclusion, Mr. Chairman, that on that point alone it is your duty to rule that the point of order of the hon. member for Eglinton is out of order and that you are properly in the chair and are presiding over the committee here today in a legal manner.

While I am on my feet I should like to say a few words about other matters that were referred to by the hon. member for Eglinton. First of all, I should like to refer to the way in which he made snide remarks and unpleasant insinuations about the way in which you have been carrying on your duties. I think that I will be expressing the opinion of all the well-meaning and clear-thinking members of this house when I say that the members of this house greatly appreciate the work that is done by Mr. Speaker, Mr. Deputy Speaker and chairman of committees and the deputy chairman.

An hon. Member: You should.

Mr. Cannon: We all know that it is difficult and unpleasant work to do. It is particularly unpleasant when systematic obstruction is engaged in by members of the opposition. As was said by somebody previously in this debate—I think it was by Mr. Speaker—it is not only the duty of the Speaker to protect the minority against the majority but also to protect the majority against organized obstruction by the minority. While I am talking about the way some of the members of this house have acted towards the officers of the house—

Mr. Nicholson: Is this a point of order?

Mr. Cannon: I am answering some arguments raised.

Mr. Nicholson: Is it a point of order, though?

Mr. Cannon: On a point of order I am answering arguments brought forward by the hon. member for Eglinton.

Mr. Churchill: On a point of order, may I ask whether this is on a point of order?

The Deputy Chairman: Order. The hon. member for Winnipeg South Centre has raised a point of order that the hon. member who has the floor, namely the hon. member for Iles-de-la-Madeleine, is not speaking to the point of order.

Mr. Cannon: If I may say a word—

The Deputy Chairman: I would say that in these circumstances I do not approve the bringing into this debate of the conduct of the Speaker, the chairman of committees and the deputy chairman, even though the remarks might tend to be pleasing to me. However, I think I might point out that in bringing forward his point of order the hon. member for Eglinton made references to the duties of the presiding officers and I think a fair reference to his references is not out of order.

Mr. Castleden: Six o'clock.

Mr. Cannon: Mr. Chairman—

Mr. Nicholson: On a point of order, Mr. Chairman—

The Deputy Chairman: The hon. member for Iles-de-la-Madeleine has the floor on a point of order.

Mr. Cannon: To continue my remarks, Mr. Chairman—

Mr. Nicholson: Six o'clock.

Mr. Cannon: —may I say that the hon. member made attacks on the chair that he should not have made. While I am talking about attacks on the chair I wish to say that the same hon. member for Eglinton did a dastardly, unpleasant and wrong thing when, after doing his best to be put out of this house the other day—

Some hon. Members: Oh, oh.

Mr. Cannon:—and provoking the chairman into putting him out of the house, having it organized so that he had newspaper photographers with flashlight cameras at the door to take pictures—

The Deputy Chairman: Order. I realize, as perhaps no one else does, the heat of this

debate; but particularly as, at the moment, the hon. member for Eglinton is not in the house—

Mr. Bell: That does not matter to them.

Mr. Cannon: He should be here.

The Deputy Chairman: Order. I think it is my duty to say that the arguments, statements or accusations which may have been made by the hon. member for Eglinton are open to answer but I think personal remarks about him go beyond that.

Mr. St. Laurent (Quebec East): I wish to say just a few words about the point of order and I hope I shall not stray from that point of order. The hon. gentleman who raised the point of order submitted the terms of the motion of which I gave notice in the house on the 30th and then submitted the terms of the motion that I submitted to the Chair on the 31st. Though he had reservations about the validity of the motion that I was submitting, and though those objections were made the object of points of order that were discussed very learnedly and at considerable length, they were resolved and your decision was upheld by a vote of the house.

Now, the question that the hon. gentleman submits in his point of order is that because the motion was put before the committee yesterday and was not disposed of until today it had no further validity.

Mr. Nicholson: This sitting.

Mr. St. Laurent (Quebec East): The hon. gentleman who is interrupting says "this sitting". Well, "this sitting" means the sitting at which the committee makes the decision, and that is the terms of the motion, that at this sitting—

Mr. Nicholson: This sitting of the committee.

Mr. St. Laurent (Quebec East): This sitting of the committee.

Mr. Nicholson: Page 4498.

Mr. St. Laurent (Quebec East):

> That at this sitting of the committee of the whole house on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, the further consideration of clauses 1, 2, 3, 4, 5, 6, 7, the title of the said bill, and any amendments proposed thereto, shall be the first business of this committee and shall not further be postponed.

Now, that is the motion that was adopted this afternoon by this committee and the sitting that we are continuing at the present time is this sitting to which the motion applies, and that is because of the general overriding rule that is in standing order 7 that if:

> At the ordinary time of adjournment of the house, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

Now, there can be no doubt that there was business before the committee that was interrupted at the end of the sitting, and the ordinary time of adjournment having prevented that business from being completed, it was to be taken up at the same stage where its progress had been interrupted. Its progress had been interrupted by an appeal to the house from the ruling you had made in respect of the validity of the motion. That appeal went before the house and was disposed of by the house and the committee resumed and proceeded to take up the business which had been interrupted at the same stage where its progress was interrupted. You took it up at the same stage at which its progress was interrupted and the question you then put to the committee was whether or not the motion:

> That at this sitting of the committee of the whole house on Bill 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, shall be the first business of the committee and shall not further be postponed.

And that was the decision that was made at this sitting and which applies to this sitting, and being applicable to this sitting, I submit to you, sir, that the point of order taken by the hon. member for Eglinton is not well founded, and that the contention that he put before you that any proceedings had today on this motion are a nullity is a contention that is contrary to the action of the house when it voted on the appeal that had been taken from the ruling you made on the validity of that motion. It was a recognition of the application to the proceedings of this general rule, standing order 7, and a proper application.

After all, you know, these rules are not made merely for the purpose of providing dilatory proceedings to prevent the business of the house from being transacted. They are made for the purpose of providing for an orderly conduct and progress of the business of the house.

Mr. Rowe: Hear, hear.

Mr. St. Laurent (Quebec East): Yes; I think we are all in full agreement on that.

Mr. Rowe: That is what they are meant for, yes.

Mr. St. Laurent (Quebec East): That is what they are meant for.

Mr. Rowe: But not abuse.

Mr. St. Laurent (Quebec East): And it is certainly not an abuse of the rules of the house to apply standing order 7 to any business that has been interrupted by the arrival of the hour of the ordinary adjournment of the house. The language which was used in this motion is language which applies from the moment the motion was adopted, and it is language which applies to this session of the committee of the whole. We would have preferred to have it adopted yesterday and to have applied to yesterday's sitting as this sitting, but that was not made possible by the proceedings which were had under the rules of the house.

I was not surprised to hear His Honour, the Speaker, submit to the judgment of the house the course of action he proposed to follow, and that was to treat the matter from the point at which it was interrupted by what His Honour said was his mistake that had been made when he took the chair merely for the purpose of putting to the house an appeal that had been urged by the hon. member for Winnipeg North Centre.

Rule 33 is not a separate rule; it is a part of the general rules which are applicable. It is one which fortunately it is not necessary to resort to very frequently, but when it is necessary to resort to it, it has to be construed according to its terms but in a manner that will allow it to be productive of the effect for which it was designed and for which it was put in the rule book.

Now, everyone knows that with respect to statutes, or anything that has legal significance, it is the language used that governs, and here the language used in this motion that was adopted this afternoon is that the further proceedings at this sitting of the committee will not be further postponed or adjourned. I submit to you, sir, that there having been a decision, confirmed by a vote of the house, the proceedings were still living proceedings designed to produce their effect; that they are producing that effect and that we are now regularly in committee to give further consideration to Bill 298.

Mr. Knowles: Mr. Chairman,—

Mr. Cannon: Mr. Chairman, I have not finished my remarks.

The Deputy Chairman: Just before the hon. member for Winnipeg North Centre or the hon. member for Iles-de-la-Madeleine rises, I know that there is not supposed to be one point of order raised while we are discussing another. The question will be thrown at me at some stage of the game that the hon. member for Winnipeg North Centre and others have already spoken. I think I am justified in making this statement, that there is some discretion allowed to the chair as to the advice he will take on points of order which I do not think can be regarded in quite the same category as debating points. I am not establishing any precedent. I am taking unto myself that right and will hear the hon. member for Winnipeg North Centre and then the hon. member for Iles-de-la-Madeleine.

Mr. Knowles: Mr. Chairman, my remarks will be very brief on this—

Some hon. Members: Hear, hear.

Mr. Knowles: I support the contention—

Mr. St. Laurent (Quebec East): Would the hon. member permit me to apologize to the hon. member for Iles-de-la-Madeleine. I thought the hon. member had completed his speech when the chairman ruled that he did not wish to have comments upon the special points that the hon. gentleman was discussing at that moment.

An hon. Member: He had not even got around to the point of order.

Mr. Cannon: You need not apologize, Mr. Prime Minister. I simply sat down because the chairman was on his feet. We on this side of the house believe that is the proper thing to do.

Mr. Rowe: You are getting pretty good about observing the rules now. You have not used them for a week, so you had better start now.

Mr. Knowles: Mr. Chairman, I wish to speak about the emphasis the Prime Minister laid on the assertion that this sitting is whatever sitting we are in when the decision is reached. He also relied on standing order 7 which indicates that:

> At the ordinary time of adjournment of the house, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

I wish to draw your attention to another instance where the words "this day's sitting" were used and different treatment was accorded the motion. On that occasion it so happened that the motion was mine and it also happened that the government would have liked to have seen my motion carried. I might also add that my hon. friends to the right did their best to defeat it and in fact they succeeded even though my motion did not come to a vote.

An hon. Member: What a horrible state of affairs.

Mr. Knowles: The occasion was Thursday, December 20, 1951. We were in the midst of a hectic debate on the amendment to the

Combines Investigation Act and on that day I moved the following motion which was seconded as a matter of fact, by the hon. member for Peace River. It read:

> That this day's sitting of the house continue without the usual intermission at one o'clock p.m. and at 6.15 o'clock p.m., and that the house shall not be adjourned at ten o'clock p.m. this day.

This reference appears at page 2253 of *Hansard*.

Now, Mr. Chairman, that motion which referred to this day's sitting was debated all day. There were several amendments made and there were some recorded divisions. In the divisions the Liberals and the Social Crediters supported us and the Conservatives opposed us and at the end of the day the Speaker adjourned the house because it was ten o'clock. The proceedings on that motion were interrupted. Did the house take it up the next day where it was left off?

Some hon. Members: No.

Mr. Knowles: Did standing order 7 apply to that motion? No. It referred to this day; "this day" being Thursday, December 20, 1951. That day was spent so the motion never came up again.

I am just drawing that to your attention, sir. The Prime Minister in his motion wants this sitting of the committee to carry over from yesterday to today but on the occasion I referred to, "this day's sitting" in my motion was interpreted as applying only to the day on which it was moved and when the motion was not carried by ten o'clock that night it fell by the way, as I think the Prime Minister's motion should have done last night.

Mr. Fulton: Mr. Chairman—

Mr. Cannon: Well, Mr. Chairman, I simply wish to finish the argument I had started to make previously. My argument was to the effect that in my humble opinion the hon. member for Eglinton, after having manoeuvred in such a way as to get himself put out of the house—

Some hon. Members: Order.

Mr. Cannon: —was not doing a very gracious thing in attacking the Deputy Speaker in the way he did for having done the very thing he more or less forced him to do. That was one point.

On the other point as to the making of a farce of parliamentary procedure, I might say it certainly is a farce to hear hon. members on the other side talking about making a farce of parliamentary procedure because that is what they have done, Mr. Chairman. They have, since the beginning of this debate—

Some hon. Members: Order.

[Mr. Knowles.]

Mr. Nicholson: This is in order as a speech but not as a point of order.

Mr. Cannon: It is in order because it relates to the remarks made by the hon. member for Eglinton. I am speaking to the point of order but in order not to hold up the decision on the point of order I will be willing to resume my seat now and then speak later on in the evening in this debate.

Mr. Fulton: Mr. Chairman, one subject only I think should be put before you by me and that is with reference to the Prime Minister's suggestion that standing order 7 governs the situation here.

The Prime Minister suggested that because the motion he made yesterday at the opening of the committee's proceedings had not been disposed of at ten o'clock last night, it came under standing order 7, which provides:

> At the ordinary time of adjournment of the house, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

I suggest to you, Mr. Chairman, that standing order clearly applies only to debatable motions. This is a motion which the rules clearly establish must be put forthwith, without amendment and without debate. How can you report progress in the sense that is intended in standing order 7 on a non-debatable motion? If it is in order, that motion should be put forthwith. It is not the sort of motion on which you report progress.

Mr. Pearson: We will remember that.

Mr. Sinclair: Too bad you did not make this point last week.

Mr. Pickersgill: Two-way Fulton.

An hon. Member: Wrong-way Fulton.

Mr. Fulton: The government was not able to get this motion through because of the tactics they had adopted and therefore the motion should fall at ten o'clock at night and it requires renewal. It is not the sort of motion on which you can say that you ask the Speaker to rise and report progress and ask leave to sit again and then have the same motion under consideration at the beginning of the next day's sitting. It is a sudden-death motion; that is clear. It is a sudden-death motion, and unless it is put by the end of the sitting day on which it is moved then it requires to be moved again. You cannot have it under consideration from day to day.

I submit that the Prime Minister's suggestion of the application of standing order 7 is not well founded.

The Deputy Chairman: I hope that the summary we prepared—when I say "we" I mean I had the assistance of the clerks—of the point raised by the hon. member for Eglinton is correct.

Mr. Fleming raised a point of order to the effect that the business before the committee was a nullity on the ground that the Prime Minister's motion consisted of the words "at this sitting of the committee" and since those words have reference to Thursday's sitting the motion was not valid at today's sitting, that the validity of the notice given Wednesday expired at Thursday's sitting. Further, it is essential that due notice be given of a motion to be made under the provisions of standing order 33.

I think that is a fair summary of the point raised by the hon. member for Eglinton. It boils down then to raising the point that the closure motion made by the minister and put—I think the hon. member said "so precipitately" by me—is of no effect for two major reasons. The hon. member who introduced the point of order admitted quite fairly that there is a hiatus in the rules in that there is no specific provision for what shall be done if a motion is not reached on the day for which it has been notified. So we have to endeavour to decide what the position is without the benefit of a rule to that effect.

There are two major attacks. One is that the Prime Minister's motion is a nullity on the ground that it applied only to the session of May 31, the day on which the motion was moved, that it applied only to that day. That point has been argued with considerable success and a great deal of weight. However, in my opinion there are perfectly valid arguments on the other side, although I do not expect the supporters of the point of order to admit their validity.

They are two in number. One is the literal application of standing order 7, which was outlined by the Prime Minister and contested by the hon. member for Kamloops. The other one is that we have by a recorded vote in the house this morning resolved that we would be placed immediately in the same position as yesterday. In any event I am of the opinion that "this sitting" as in the motion means the sitting in which we are at the moment, the sitting at which the motion has been put and carried. I know hon. members will say, "Yes, but it was put illegally." I respect their opinion. We have argued that and a decision has been taken; not acceptable to some I will admit, but still a decision has been taken.

The other point raised by the hon. member for Eglinton was that the Prime Minister's notice, which he gave two days ago, limited its effectiveness to yesterday. What is in the standing order? It says:

> —shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned—

I think we are faced with the necessity of deciding what is meant by "this sitting", what is meant by "previous sitting" and what is meant by "next sitting". Every hon. member has heard time after time the business of the house set for the next sitting of the house. That means the next sitting at which it is reached. I submit to the committee that if this notice had been legally given and if on the following morning the hon. member had risen and moved the adjournment of the house under standing order 26 and we had had a day-long debate on that standing order, the motion would not have been reached. It would not have been reached because the house had passed a superseding motion such as a motion that the house do adjourn with the obvious intention of killing it. It would not have been reached because some other members, not necessarily even opposed to it, would have decided that for that particular day some other matter should be under discussion.

Therefore, if I may say so with great respect for the arguments advanced by the hon. member for Eglinton, I have ruled that the notice given under standing order 33, which is apparently informal as the minister gives notice by standing in his place and announcing it, can be and is legally effective for the motion which we have before us today, and also that the motion moved yesterday by the Prime Minister and put to this committee by the chairman yesterday, but not reached for decision by this committee until today, was and is legally before the committee.

Mr. Churchill: Mr. Chairman—

The Deputy Chairman: I assume that the hon. member for Winnipeg South Centre in the absence of the hon. member for Eglinton is rising to appeal my ruling.

Mr. Churchill: Yes, I appeal your ruling.

The Deputy Chairman: I read to the committee earlier the summary of the point of order as raised. As the hon. member himself is not here, I propose to submit it in that way.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

> In committee of the whole when it was considering clause 4 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Fleming raised a point of order to the effect

that the business before the committee was a nullity on the ground that the Prime Minister's motion consisted of the words "at this sitting of the committee", and since those words had reference to Thursday's sitting the motion was not valid at today's sitting; that the validity of the notice given on Wednesday expired in Thursday's sitting, and further it was essential that due notice be given of a motion to be made under the provisions of standing order 33. I ruled that the notice of motion given by the Prime Minister at Wednesday's sitting was effective, and that the motion decided on this day was and is effective in regard to the committee's proceedings. Whereupon Mr. Churchill appealed to the house from the ruling of the chairman.

Mr. Speaker put the question as follows:

Mr. Applewhaite reports that in committee of the whole when it was considering clause 4 of Bill No. 298, Mr. Fleming raised a point of order to the effect that the business before the committee was a nullity on the ground that the Prime Minister's motion consisted of the words "at this sitting of the committee", and since those words had reference to Thursday's sitting the motion was not valid at today's sitting; that the validity of the notice given on Wednesday expired in Thursday's sitting, and further it was essential that due notice be given of a motion to be made under the provisions of standing order 33.

The chairman ruled that the notice of motion given by the Prime Minister at Wednesday's sitting was effective, and that the motion decided on this day was and is effective in regard to the committee's proceedings. Whereupon Mr. Churchill appealed to the house from the ruling of the chairman.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson	Dupuis
Ashbourne	Fairey
Batten	Follwell
Benidickson	Fontaine
Bennett	Forgie
Blanchette	Garland
Boisvert	Gauthier (Lake St. John)
Boucher	Gauthier (Nickel Belt)
Bourget	Gauthier (Portneuf)
Bourque	Gingras
Brisson	Gingues
Brown (Essex West)	Goode
Bruneau	Gour (Russell)
Buchanan	Gourd (Chapleau)
Byrne	Gregg
Cameron (High Park)	Habel
Campney	Hanna
Cannon	Hansell
Carrick	Hardie
Carter	Harris
Cauchon	Healy
Cavers	Hellyer
Clark	Henderson
Cloutier	Henry
Crestohl	Hollingworth
Dechene	Holowach
Decore	Hosking
Demers	Houck
Deschatelets	Howe (Port Arthur)
Deslieres	Huffman
Dickey	Hunter
Dumas	James
Jutras	Pearson
Kirk (Antigonish-Guysborough)	Philpott
Kirk (Shelburne-Yarmouth-Clare)	Pickersgill
Laflamme	Pinard
Lafontaine	Pommer
Langlois (Berthier-Maskinonge-Delanaudiere)	Power (Quebec South)
Langlois (Gaspe)	Power (St. John's West)
Lapointe	Proudfoot
Lavigne	Prudham
Leduc (Gatineau)	Purdy
Leduc (Jacques Cartier-Lasalle)	Quelch
Lefrançois	Ratelle
Legare	Reinke
Lesage	Richard (Ottawa East)
Lusby	Richard (St. Maurice-Lafleche)
MacDougall	Richardson
MacEachen	Roberge
MacKenzie	Robertson
MacNaught	Robichaud
Macnaughton	Robinson (Simcoe East)
McCann	Ross
McCubbin	Rouleau
McCulloch (Pictou)	St. Laurent (Quebec East)
McDonald	Schneider
McIlraith	Shipley, Mrs.
McIvor	Simmons
McMillan	Sinclair
McWilliam	Smith (Battle River-Camrose)
Mang	Stick
Masse	Stuart (Charlotte)
Matheson	Tucker
Michaud	Villeneuve
Mitchell (Sudbury)	Weaver
Monette	Weir
	Weselak
	Winters—134.

NAYS

Messrs:

Balcer	Knowles
Barnett	MacLean
Bell	McBain
Blair	Michener
Bryce	Mitchell (London)
Cameron (Nanaimo)	Monteith
Castleden	Nesbitt
Charlton	Nicholson
Churchill	Nowlan
Dinsdale	Pearkes
Drew	Rea
Ellis	Robinson (Bruce)
Fairclough, Mrs.	Rowe
Fulton	Tustin
Green	White (Hastings-Frontenac)
Hamilton (York West)	White (Middlesex East)
Herridge	Winch
Hodgson	Zaplitny—38.
Jones	
Knight	

Mr. Speaker: I declare the chairman's ruling confirmed.

And the house having resumed in committee:

The Acting Chairman (Mr. Brown, Essex West): Clause 4. Shall it carry?

Mr. Nesbitt: Mr. Chairman—

The Acting Chairman (Mr. Brown, Essex West): Clause 5.

Mr. Nesbitt: Mr. Chairman—

The Acting Chairman (Mr. Brown, Essex West): Does the hon. member wish to speak on clause 4?

Mr. Nesbitt: Yes, Mr. Chairman. There are those in Canada who are complacent enough to believe that the expression, "It can't happen here" still applies in this country. I hope that after the activities of the government during the last couple of weeks, which reached their culmination in this morning's and this afternoon's naked display of force, which force was virtually used to destroy the effect of parliament in this country, anyone who had any doubts about the old expression, "It can't happen here", will have had those doubts completely dispelled. The government and the Prime Minister personally are going to have to take the responsibility for this evil behaviour, and that is the only word that can describe it.

A day or two ago I was endeavouring to point out to the government certain historical precedents to show that the dictatorial methods imposed by formerly democratic states for purposes of efficiency and expediency destroyed democratic government in those same democratic states. At that time I cited the instances of ancient Greece and Rome. Today I should like to use a more modern example, although in passing I should like to mention that similar incidents took place in the Italian city states of Venice and Florence in the days of the Renaissance, which states at one time had republican forms of government. I suppose, however, that the most familiar and possibly the most cogent historical precedent is that of Oliver Cromwell. As hon. members will recall, after Charles I had been gotten rid of in England and the Lord Protector, Oliver Cromwell, took over, it was thought at that stage in England that there would be a new form of democratic government. However, during the session of what has been known as the long parliament the Lord Protector, Oliver Cromwell, had a great deal of difficulty in getting along with his parliament. So in 1649 the first thing he did was to expel the Royalists and then expel the Presbyterians. After that the parliament was known as the rump parliament until its final dissolution in 1660. After 1649, Mr. Chairman, the Lord Protector, even when he had only his own followers in there, could not get along even with them, so finally, as hon. members will recall, in 1660, when the speaker was about to put the question, the Lord Protector, accompanied by soldiery marched into the chamber and with the now famous expression "Take away that bauble", pointing to the mace, dissolved the long parliament.

I think hon. members may well take a lesson from this very disagreeable historical example. We have already seen some instances rather similar to those which I have just described take place in this very house. However, this government believes in being up to date. Oh yes; it certainly does! The Liberal government has put the jet-propelled engine of closure on its steam roller majority to speed the crushing of the opposition in this house.

The hon. member for Wellington South is the greatest living argument for mercy killing. The hon. member for Waterloo North—

The Acting Chairman (Mr. Brown, Essex West): Order. I do not think the hon. member would like to have that statement stand on the record.

An hon. Member: It is true.

Mr. Fulton: Parliament has just been killed. What is the matter with it?

The Acting Chairman (Mr. Brown, Essex West): I leave it to the hon. member himself as to whether or not he wants to withdraw it.

An hon. Member: He has it in his prepared text.

Mr. Nesbitt: Because of the interruptions by hon. members, including the hon. member for Wellington South (Mr. Hosking), the remark was made. Possibly it was a little bit strong and I will withdraw it at the moment. The hon. member for Waterloo North was apparently horrified a few days ago at the so-called guillotine cartoon that appeared in the *Globe and Mail* recently. Personally I think this cartoon was most appropriate. I feel that I have at least as much regard for those who died in the two world wars as has the hon. member for Waterloo North. I would ask hon. members to consider just why it was that they died in those two world wars. Just what was the reason that they died? Why did they go to those wars? I know we hear the old trite expression, which is a sad thing, namely that they went the first time to make the world safe for democracy and on the second occasion also. Whether or not we consider this expression to be trite, it is the truth. That is the reason a great many of us went there and that is the reason a great many did not come back. We now have the spectacle in this house of what we have seen during the last couple of weeks and today in particular. We have this spectacle in this chamber itself, in the very heart of parliamentary democracy.

What has happened in the last few days is only a culmination of what this government has been attempting to do ever since the mid-1940's. First we had government by order in council. That was repeated time without number despite the objections of the opposition. Then finally last year the Minister of Trade and Commerce attempted to bring in the notorious amendment to the Defence

Production Act which fortunately was defeated. That has been not only the government's actual activities but their attitude. The famous expression of the Minister of Trade and Commerce, "Who's going to stop us?" has become all too familiar in this house and elsewhere.

It may be all very well for the Minister of Trade and Commerce, the hon. member for Waterloo North and many other hon. members on the other side. These men are capable businessmen—no one would question that statement—and very able men. But running parliament is a different thing from running a grain elevator business or a meat packing business or whatever it might be. These men do not appreciate the difference between running the House of Commons and running a business.

They seem to have forgotten—if they ever knew—what the principles and traditions of parliament really are. If any of them ever knew them or understood them, they seem to have forgotten those principles long ago. The singing of songs in this house by hon. members of the Liberal party, while the government went about its evil business of attempting to destroy parliament, could only be likened to the fiddling by the Roman emperor Nero while the city of Rome burned around him. It has seemed to me that most of the hon. members who were doing all the singing had just about as little appreciation of what was going on or what was happening to our parliamentary democracy. Hon. members opposite must wake up, as I mentioned the other day, to this not so thin edge of the wedge and repudiate quite frankly—I hesitate to use the word but I cannot think of any more suitable one—this vile perversion of democracy. The so-called Liberal party is just about as "liberal" as are the "people's democratic" parties of the iron curtain countries. They are neither "people's" nor "democratic".

The rather shocking proposal presented by the Prime Minister the day before yesterday was certainly something that should not or could not be accepted by any hon. member who believed in parliamentary democracy. If reports that we hear on this side of the house are correct, we understand that the Prime Minister yesterday or possibly the day before was asked by members of his own party to take a greater part in debate. We have now seen some evidence of his doing that since then and we are glad to have the Prime Minister taking his part again in the house. It seems a pity, however, that so far in this debate the only things we have heard from the Prime Minister are threats and announcements of the continued demolition of the structure of democratic government. I cannot help feeling that personally these statements must be extremely distasteful to the Prime Minister himself. Just to show how far this country has gone along the road to becoming a one-party state, the government is now attempting to push this offensive bill through the other place in one day. Ordinarily such a bill—

Mr. Harris: Order. The hon. member cannot talk about what happens in the other place.

Mr. Nesbitt: Ordinarily the passage would take somewhat longer. I should like to make some comment in this regard which I do not believe is out of order.

Mr. Fulton: It has not happened yet. You can talk about the Senate. The only thing you cannot do is to reflect upon what happens there.

Mr. Nesbitt: As a result of some of the comments I have heard to which I pay some attention, since I do not wish to be out of order, may I say this. When this bill comes before the other place, if the other place is not completely supine let the other place show the people of Canada that it is an independent body and that it performs some function. For years, Mr. Chairman, we have heard demands for the abolition of the other place on the ground that it performs no useful function. The other place now has its chance to prove its merits.

Here we have just about the most contentious piece of legislation in Canadian history. If the other place allows this legislation to go through in one day, the arguments for abolition are fully justified. On the other hand if the other place, despite its almost complete composition of government members, illustrates its independence and carries on debate despite the government orders, it will have fully justified its existence before the people of Canada for many years to come. It will have shown that it is not a rubber stamp and that it is performing its practical function, its traditional function of sober consideration of ill-considered, ill-framed and ill-advised legislation that is being hastily pushed through this very house.

Members of this party have been accused from time to time in this debate of not using their time at this stage of the legislation to ask a greater number of questions respecting the pipe line itself. Mr. Chairman, I have a question I would like to have answered, and I would like to have the Minister of Trade and Commerce answer it.

Mr. Hamilton (York West): He probably will not be able to answer it.

Mr. Nesbitt: Will the Prime Minister contradict the statement that Trans-Canada Pipe Lines will not be able to complete the pipe line from Winnipeg to the Ontario boundary and from Kapuskasing to Montreal unless it gets permission from the federal power commission to export gas at Emerson, Manitoba, to the United States?

In conclusion, Mr. Chairman, if the Liberal party really thinks the people of Canada are in favour of this unsavory legislation and are also in favour of the gag rule and the destruction of parliament, let them call a general election and get the judgment of the Canadian people. Frankly, Mr. Chairman, I do not think the government will call an election because it is afraid to.

Mr. Cannon: Mr. Chairman, while listening to the hon. member who has just finished his remarks I could not help thinking that he must be a comparatively new member because he referred to the fact that some members on this side of the house sang songs while the bell was ringing for a vote. He referred to that fact as if we were Neros fiddling while Rome was burning. If he knew the traditions of this house he would realize that that has been the custom for a great many years and it has never done any harm to anybody and it has never excited any indignation whatever except in the youthful breast of the hon. member. He also shows that he is rather young and is not conversant with the customs and proprieties of this house when he inserts in the text that he read so diligently several references to the Senate. He did not know in fact that it is not the custom in this house to refer by name to the other place. He learned.

His remarks about a general election also show that he has not had much experience because if he knew the temper of the people of Canada at this time he would realize that if there were an election there would not be more than 10 or 15 Conservatives re-elected to this house.

Now, Mr. Chairman, I wish to take but a few minutes to give my reason for voting for this bill and also for voting for closure. There have been so many remarks on other subjects, on procedural matters and the like, that it seems to me we have forgotten to a certain extent what this whole debate is about. The province of Alberta has great natural resources, great natural riches, I might say, in oil and gas and the eastern part of Canada needs those resources, particularly gas. I am told that in Alberta several of the oil wells are not exploited because the gas has not been disposed of. For several years now gas in the west has been going to waste. It is a terrible waste that should not be allowed to go on any longer. For five years, since Trans-Canada Pipe Lines was incorporated, all this gas has been wasted, and all this potential benefit for the east of Canada has gone to waste. This government has decided, and I think rightly so, that it is time to put an end to this intolerable waste, and the only way to do it is to pass the law that we are studying here today.

No one has been able to get organized to supply the gas to eastern Canada except Trans-Canada Pipe Lines. They have the pipe; they have the know-how; they have the right-of-way; they have the contracts to buy gas and to sell gas; they are the only ones that are organized.

We have heard a lot of noise about selling Canada down the river and giving away to United States buccaneers. Well, if my hon. friends on the other side who use those expressions will only reflect for a few minutes they will realize how silly, how futile and how childish they are. What is the government proposing to do by this bill? It is simply proposing to lend, note that, $80 million to Trans-Canada Pipe Lines at a good rate of interest, at 5 per cent and for 90 days. To lend at 5 per cent and for 90 days: since when is that selling out to United States buccaneers or giving control of the pipe line to Americans? And if they do not pay us back, if Trans-Canada does not pay the money back during the 90 days—

An hon. Member: Ninety days?

Mr. Cannon: Nine months. If it does not pay back the government in the 9-months period the government has ample security. The government has all the assets of Trans-Canada Pipe Lines and will simply take over the project and build the line itself for the great benefit of the people of Canada.

What is this delay costing us? Every year of delay in constructing the pipe line increases the cost by $25 million. It will cost $25 million more a year every year it is delayed, and every day means a loss of $50,000 a day to Alberta. When I say "Alberta" hon. members can read "Canada" because Canada is made up of its several provinces, and anything that is good for any of our provinces is good for this nation of ours as a whole.

There has also been a lot of talk about selling out to Americans and giving the Americans control of this natural resource. If my hon. friends had studied the contracts—I know some have but others have made speeches without studying them—they will realize that when this thing is organized 51 per cent of the stock is going to be offered for subscription to Canadians. If Canadians do not take 51 per cent—it is possible they

will not—how can it be argued that they would take 60 per cent, 70 per cent or 80 per cent? How can it be argued that they will take more if more were offered to them if they will not take 51 per cent? My hon. friends' argument is that they will not take 51 per cent. If they will not take 51 per cent they certainly will not take more, so there is no use offering them any more.

We have the evidence of all the experts that this pipe line bill of the government is a good one. All the interested parties support it. The premier of Alberta, Mr. Manning, supports it. The premier of Manitoba gave an interview to the newspapers just recently in which he insisted on the necessity of getting this pipe line built as soon as possible so as to bring the gas to Winnipeg as soon as possible. The premier of Ontario has left the hon. Mr. Drew on the issue. He also says that the policy of the government is a good one. The only ones who still think that the policy of the government is bad are the hon. Mr. Drew and the members who vote for him, and whom I would call trained seals if I was not more polite than he is. Their expert on that side, Mr. Nickle, whom everybody recognizes as an expert in gas and oil, left them on that issue and abandoned his party on that issue. I was told today by someone who was showing me a Calgary newspaper that all of Mr. Nickle's Conservative organization, all of his supporters in his constituency, had backed him on the decision he has taken on the issue.

Mr. Rea: You are not supposed to call hon. members by their names in the house.

Mr. Cannon: I say, Mr. Chairman, that we have won the battle of the pipe line and the Conservatives are simply trying to win the battle of procedure. Should they win it and they need not think they have won the battle of procedure—it would not do them any good with the people of this country. They should consider themselves lucky that they did not succeed in blocking this thing in the way they have tried to do. It is to their ultimate benefit that they have not been able to block Trans-Canada Pipe Lines. If they had blocked it they would get even fewer votes at the next election than they will get under the present circumstances.

An hon. Member: Why don't you try it?

Mr. Cannon: The answer was given the other day by the Prime Minister that there was no reason for going to the people now. They think they know the thinking of the people of Canada. They think the people of Canada approve of what they have done. They think they will get the approval of the people of Canada and therefore they say, "Have an election". Their reason for wanting an election is that they think the people of Canada are backing them, but I think the people of Canada are not backing them and therefore there is no reason to have an election.

Some hon. Members: Quiet.

Mr. Cannon: On the matter of closure, Mr. Chairman, a very sound argument can be made. Most of my hon. friends on the other side of the house are educated people who have college educations and therefore they will realize what a syllogism is in philosophy. The rules of parliament are democratic. Closure is a rule of parliament and therefore closure is a rule of democracy.

An hon. Member: Before debate begins?

Mr. Cannon: And the exhibition my hon. friends have put on in this house since the beginning of this debate is ample proof, if we needed it, that closure is an absolutely necessary rule of this house.

Spokesmen of the C.C.F. and Conservative parties gave notice to the newspapers before the debate started that they were going to put on such a filibuster as had never been seen before in this house. They said, "You think you saw a filibuster last year; well, you haven't seen anything yet".

Mr. Nicholson: Well, have you?

Mr. Cannon: There goes my hon. friend across the way. He says, "Well, have you?" He agrees with me, evidently. He admits that they were going to put on the greatest filibuster that had ever been put on in this house. I say that completely justifies us in imposing the rule of closure. That was the only way we could have achieved constructive debate.

The rules of this house—

Mr. Dinsdale: Rules?

Mr. Cannon: —were revised by an interparliamentary committee in which all the parties of this house were represented and on which the expert of the C.C.F., the hon. member for Winnipeg North Centre, the expert of the Conservative party, the hon. member for Kamloops, and all the experts on procedure in the house served. They went through the rules of parliament with a fine-toothed comb. They made all the changes they thought should be made, but they did not change the closure rule an iota. They left it just as it was before because they realized it was absolutely necessary for the orderly proceedings of debate in this house.

My hon. friends opposite claim they have not had time to debate this bill. Well, this is the twenty-second or twenty-third day of the debate—I am not sure which—

An hon. Member: Watch your mathematics, Charlie.

Mr. Nowlan: Two plus two makes twenty-two?

Mr. Cannon: There is nothing wrong with my remarks as you will see when you look at them. If you consider the proceedings of this house you will see that every year we have about 50 bills which go through parliament. Let us suppose each bill took ten days—which they do not, of course—that would be 500 days, more than a year. This bill has taken 20 days of debate—

An hon. Member: Now it is 20.

Mr. Cannon: —and the 20 days of debate that have been given over to discussion of this bill is more than all the time given to all the other bills in this house since the beginning of this session. Despite this, hon. members opposite say they have not had time to study it. Why have they not had time to study it? Obviously it is because they have been wasting a great deal of time of the house on phony points of order and on motions to adjourn the house, simply wasting the time of this house.

Some hon. Members: Hear, hear.

Mr. Cannon: The public does not realize and I think the public should be told that it takes half an hour for a vote in this house. How many votes have the opposition forced since the beginning of the debate on this bill? Up until May 25 last, according to the computation of the Montreal *Star,* we have had 35 votes.

Mr. Nicholson: How much time would you save if you did away with parliament altogether?

Mr. Cannon: If my hon. friend wishes to talk in this debate he can do so later on. The hon. member has no right to interrupt me while I am on my feet. Will you please keep quiet?

An hon. Member: We are all speakers now, eh?

Mr. Cannon: We had had 35 votes up to May 25 last. By now we have had 45 and out of that 45 possibly 10 were necessary in the ordinary procedure of this house; 35 votes were forced upon us by the opposition on phony points of order and on motions to adjourn the house just for the pleasure of wasting half an hour on a vote in order to defeat the motion. Therefore, you have 35 times half an hour which makes about 17 hours spread over 20 days.

Mr. Nicholson: What would you save if you did away with parliament altogether?

The Acting Chairman (Mr. Brown, Essex West): Order.

Mr. Tucker: We would save having you around.

Mr. Nicholson: That is the logical conclusion.

Mr. Dickey: You would not know a logical conclusion if you saw one.

Mr. Cannon: That is not a logical conclusion because the rules of the house—

Mr. Nowlan: What rules?

Mr. Cannon: —are made to advance debate and not to impede it and using the rules of the house as you have by moving motions to adjourn and so on just for the pleasure of wasting time is—if it is not too strong a word —a prostitution of the use of the rules, putting them to a use it was never intended they should serve.

I have just a few more remarks. I am sorry to see the hon. member for Eglinton is not in his seat but I am sure his friends will relay to him anything I have to say. I started to talk about him this afternoon but I was forced to conclude my remarks.

I remarked on the fact that he put on a good show, tremendous histrionics, and made quite a spectacle in getting himself removed from the chamber—

Mr. Nowlan: Oh, cheap, cheap.

Mr. Cannon: —getting his picture taken and having the flag ready. How did that flag happen to be in this house or in the lobby?

***Mr. Dinsdale:** It was an organized affair.

Mr. Cannon: I would like someone to tell me that and also explain the organized meeting at the airport—

The Acting Chairman (Mr. Brown, Essex West): Order.

Mr. Cannon: I have a few quotations here including the two great financial papers of Canada. In its edition for May 19 last the *Financial Post* says:

> The recent noise on parliament hill over the gas line should be recognized for what it is: a violent effort by the opposition parties to mislead and befuddle the Canadian public in the hope of making political profit for the next election.

So much for the *Financial Post.* The *Financial Times* of June 1 has such a good editorial that I should read practically the whole thing—

**For further reference, see page 4662.*

Mr. Nicholson: Oh, good.

Mr. Cannon: —but it is too long.

Mr. Nicholson: No, go ahead and read it all.

Mr. Cannon: They are talking about this bill and they say:

> The government felt it must get out of the impasse that has now lasted three years; it made an intelligent proposal that could stand lots of contradiction. It was one that needed to be debated and, by all standards, enough time was made available for such a debate.

Mr. Nowlan: Is that the Toronto *Star* you are reading from?

Mr. Dinsdale: No, it must be the Winnipeg *Free Press.*

Mr. Churchill: There are only two newspapers in Canada.

Mr. Cannon: I should read the heading. It reads:

> A Sad Show for Once Great Party.

I do not have to mention the party concerned. I am sure the Leader of the Opposition will have recognized it.

My prize show piece, you might say, Mr. Chairman, is the *Globe and Mail.*

An hon. Member: Hurray.

Mr. Cannon: I should really congratulate the Prime Minister. I do not know whether he has read that book entitled "How to Win Friends and Influence People" but he has certainly succeeded in doing that by the way in which he has conducted this debate in this house.

Mr. Hees: So you are still hoping to be a a parliamentary assistant?

An hon. Member: Stand up, beautiful.

Mr. Nowlan: You have earned a front seat, Chuck.

Mr. Cannon: I appreciate that you do not like to take this, but be men. When you were little boys you had to take castor oil and now that you are big men you have to take this. Why not take it like men? The editorial in the May 31 edition of the *Globe and Mail* reads as follows:

> One reason for early completion of the line concerns cost; every year, the price tag on it goes up by another $25 million. But the main reason is need—Alberta's need, to sell natural gas, Ontario's need to buy it. Alberta's situation is critical. In the five years that the cross-Canada line has been under discussion, that province has burned off 120 billion cubic feet of natural gas which it was not able to export to the east and not permitted to export to the United States. This is a criminal waste in a country which needs energy as badly as this one.

[Mr. Cannon.]

The Acting Chairman (Mr. Brown, Essex West): I am sorry to interrupt the hon. member, but I must advise him that his time has expired.

Mr. Cannon: I shall bow to the inevitable.

Mr. Cameron (Nanaimo): Mr. Chairman, I think after the storm and fury of today it has been a good thing to have a bit of light comedy touch such as we have had lately. I was highly entertained to hear the hon. member for Iles-de-la-Madeleine doing with more magnificent skill what the right hon. Prime Minister did earlier. It will be remembered that the right hon. Prime Minister attempted to telescope two days today and to make yesterday today, but the hon. member for Iles-de-la-Madeleine has done an even more magnificent job, he has telescoped ten months into 90 days. I was very curious when he chided the members on this side for not having read the contract, and yet he stated repeatedly that this loan was for 90 days when it is firmly stated in the contract—

Mr. Cannon: If my hon. friend will allow me to give an explanation, it was just a slip of the tongue.

An hon. Member: You cannot take it.

Mr. Cameron (Nanaimo): The contract firmly states that the loan is to be repaid before April 2, 1957, some ten months from now. As I say, it gave us a light comedy touch when the hon. member spoke. However, I am interested in the views he expressed which have also been expressed by more august members of the government about the role of the opposition in parliament. Apparently the concept is that the opposition must in no way impede the passage of legislation of which it does not approve, that it must confine its efforts merely to polite commentaries on the legislation presented by the government. Of course we are then faced with this curious situation, that the members of the Liberal party and the members of the government are so witless that they are unable to use the rules of the house in order to achieve their ends and they become extremely indignant because of their lack of capacity to change the rules in order to obstruct the obstruction of the opposition. I think when it comes to obstruction the honours are very even, although I would suggest that the opposition has confined itself to playing with the rules as they are, not changing them in the middle of the game.

As I listened to the hon. member for Iles-de-la-Madeleine I wondered if he could be speaking about some other project. I almost said some other proposition, but I would not like to use that word. I wondered if he was

speaking of some project other than the actual bill which is before us. He spoke of the intention of the government by means of this legislation to bring gas from the oil and gas fields of Alberta to the markets of eastern Canada. Curiously enough we have nothing before us, either in the bill now presented by the government and forced through by illegal closure maintained by illegal means, or in the agreement which was tabled although not made an integral part of the bill to provide in any way for bringing gas any further than the city of Winnipeg. There is nothing whatever there. Of course there may be some other secret and confidential agreements about which we have not been informed. It would not be surprising. But certainly on the basis of the information we have, all we know is that there are plans to bring that gas to the city of Winnipeg.

I have been puzzled, and I suspect other hon. members as well as many of those sitting on the government side of the house have also, about the tremendous pressure and haste by which this bill is being pushed through the house. I believe we find the answer on May 28 when the right hon. Minister of Trade and Commerce made what to me was a very moving statement, and I say that in all sincerity. He asked this rhetorical question of the house: "Why are we pressing this? Well, I don't know, I don't know." If the right hon. Minister of Trade and Commerce does not know then, who in heaven's name does know and can tell us? The right hon. minister went on further to say, and this is the part I want to deal with:

> I have been working on sizeable projects all my life, and somehow I reach a point in the development when I think a project is important; and if it is a serious enough project I begin to think it is the most important thing in the world and it does seem to me it is important that we do not lose a year in undertaking this pipe line.

I have every sympathy with the right hon. minister's point of view in this regard. I want to say that I would be the first, not only to admit but to proclaim that the right hon. Minister of Trade and Commerce has made splendid gifts of service to the Canadian people. I shall go further and suggest that he is a man with most unusual and extraordinary capacities and abilities. The tragedy is of course that he is surrounded by pygmies and because he is surrounded by pygmies one can readily understand the God-like proportions he assumes in the eyes of those pygmies to which the hon. member for Dauphin referred the other day.

Mr. Pickersgill: The twentieth century "Gulliver's Travels"?

Mr. Cameron (Nanaimo): Is that the Minister of Citizenship and Immigration? We on this side of the house have been puzzled as to just where the asinine advice with regard to procedure given to the government could have come from. Some of us think we know where because there is an hon. minister who has displayed a talent amounting almost to genius for ineptitude in the handling of his own department. One would assume that he would be admirably qualified to offer the insane advice that quite obviously he offered the government with regard to this bill.

As I say, I think it is a tragedy that the minister has been so poorly served. None of those who have served him has had the wit or the courage to suggest to him that there was something tragic in his, shall I say, resorting to some of the measures which have been resorted to in the last few days to push this measure through the House of Commons, when as anyone knows who has even the most modest knowledge of the rules of procedure there were methods by which this could have been put through without so seriously damaging the reputation of the government and of this house.

As I say, he was poorly served. I wonder sometimes just what the right hon. minister would do in relation to that field in which he is so eminent, the field of engineering, if some of his advisers were to present him with inaccurate estimates as to quantities, with inaccurate calculations as to stresses and strains, with hopelessly faulty estimates of the length of time required for a production project. I think I know what he would do; he would fire them very quickly. Unfortunately he has been served by people who have advised him in a field in which, shall I say, by his own admission, he is not very well versed in the methods by which measures can be brought safely through the House of Commons. He has been served by people of the sort that in his own field of engineering he would fire out of hand.

I sympathize with the minister. I can realize that he envisages this pipe line across Canada as a tremendous national project which will be the cap-stone of an extremely eminent career.

Some hon. Members: Hear, hear.

Mr. Cameron (Nanaimo): One can sympathize with that. I think I might say, having myself reached rather mature years, that I can readily understand how the minister feels with "Time's winged chariot drawing near." I can realize only too well how, when one moves into the sixth or seventh decade, those years pass quickly by, and periods which people who are fortunate enough not

to have drawn so heavily on their bank account of time would consider modest periods into the future, at certain ages seem to be intolerable lengths of time which may frustrate a worthy and certainly understandable ambition.

I am also not among those who consider that the Minister of Trade and Commerce has been deliberately trying to sell us out to the Americans. I do not think he has. I think, on the other hand, that the Minister of Trade and Commerce may perhaps have been intending to use some of those American gentlemen for his own purposes for the building of this tremendous national project and that he had obstacles in the way of bringing that to fruition and reality. Those with whom he dealt, even as those with whom he dealt with regard to parliamentary procedure, have been not worthy of his confidence or his trust. I can only think that we have in this instance of the Trans-Canada Pipe Lines bill cases of what almost appear to be repeated blackmail.

As I recall, at the beginning of this session, when the Minister of Trade and Commerce placed his resolution on the order paper for the introduction of the bill to build 675 miles of pipe line in northern Ontario, it was generally considered at that time—and I presume, since the minister presented it to this house, that he considered—that this was all the concession that those who owned and controlled Trans-Canada Pipe Lines Limited would require to carry out the undertaking of the pipe line from Alberta to eastern Canada. Then later, within a few weeks, he placed another motion on the order paper, and we found that the ante had been raised and that not only must we build 675 miles in northern Ontario but we must advance them $80 million for the construction of the western section. As I say, that appears to me to be a case of raising the ante. One of the difficulties when one submits to extortion on one level is that one finds oneself confronted with a further demand on another level, and I believe that probably is the case in this instance.

We are told that the western section must be built this year. We are not told how soon the rest of the line is going to be built. We are not told what arrangements have been made with the Trans-Canada Pipe Lines directors, who have so often either gone back on their word or found themselves incapable of fulfilling their promises. We are not told just what firm undertakings this government has from that company that it will proceed without delay to the construction of the line from Winnipeg to the Ontario border from Kapuskasing to Montreal.

True enough there have been reports, which were referred to today in the house—I think it was today—with regard to orders that were alleged to have been placed for pipe by the Trans-Canada Pipe Lines company. Like the hon. member for Rosetown-Biggar, I was puzzled at the placing of these orders, not merely because of the implied contempt of parliament, but also I was puzzled to know where these people suddenly were finding the $45 million when they could not find the $80 million for the western section. I wondered whether there are other advances they are going to demand from the taxpayers of Canada if and when they are confronted, as they may yet be, with a refusal on the part of the federal power commission of the United States to grant them a permit to export gas into the U.S.A. I think that was one of the obstacles the minister faced to the realization of this dream of his.

Then, I think, he faced another obstacle. In fact, he mentioned it to us in the house. That obstacle is to be found in the province of Alberta. Certainly the comment made by the minister about Mr. Manning's statement to him that he insisted upon this government giving export permits to the United States before giving the go-ahead for export permits from the province of Alberta would indicate that the government of Alberta has also held a gun to the head of the Minister of Trade and Commerce.

Mr. Johnston (Bow River): That is nonsense.

Mr. Cameron (Nanaimo): I am only going on the word of the minister himself, which you can find in *Hansard*, where he told us—

Mr. Johnston (Bow River): Where is it?

Mr. Cameron (Nanaimo): —that Mr. Manning stated that he would require to have exports of gas from Canada before he would go ahead with the deal. The hon. member asks, "Where is it?" I am not going to waste time looking it up. He knows it is on *Hansard*. Yes, it is here, Mr. Chairman. Since the hon. member for Bow River wants to be formally confronted with what his beloved government has done—

Mr. Johnston (Bow River): They have done a wonderful job.

Mr. Cameron (Nanaimo): They have indeed. Premier Manning, according to the Minister of Trade and Commerce, as recorded on page 2164 of *Hansard*, put it to him in these terms:

> I would, however, point out that when Premier Manning first brought the project to our Prime Minister he made it a condition that a market in the United States be arranged, in addition to markets in eastern Canada.

He made the conditions. He held the gun at the head of the Minister of Trade and

Commerce. I would imagine too, from comments that were dropped by the hon. member for Peace River, that there may be other interests in the province of Alberta, perhaps closely linked with the government of Alberta, who not merely view with concern the necessity for exporting gas from Canada but also view with concern the possibility that they might make a deal with a government owned and operated pipe line. There was a suggestion made that the producers of gas and oil in Alberta were not prepared to deal with any organization in which a government body has a deciding vote. In fact, as I recall it, I think it was Mr. Clint Murchison who was reported as having made some such observation.

These are the obstacles which, I think, the Minister of Trade and Commerce faced when he first began to consider this new, vast project which he quite understandably wished to place alongside his other achievements of Trans-Canada, Polymer and Eldorado and alongside his achievements during the war as Minister of Defence Production. I suggest that it is tragic that, in order to realize that dream within a very short period of years—and understandably he wants to do it within a very short period of years—he has been driven to these shifts, to these devices, to these obviously cobbled-together schemes for building a pipe line from Alberta to eastern Canada. I noted when the Minister of Finance spoke on this issue—

The Acting Chairman (Mr. Brown, Essex West): Order. I regret having to draw to the attention of the hon. member that his time has expired.

Mrs. Fairclough: Mr. Chairman—

Mr. Nickle: Mr. Chairman—

The Acting Chairman (Mr. Brown, Essex West): The hon. member for Calgary South.

Mrs. Fairclough: Mr. Chairman, I was on my feet before the hon. member for Calgary South and I called "Mr. Chairman."

The Acting Chairman (Mr. Brown, Essex West): I regret very much that I did not see the hon. lady. However, I have seen the hon. member for Calgary South.

Mr. Nickle: Mr. Chairman, it was heartwarming to me tonight to read in the Ottawa *Journal* a Canadian Press dispatch from Calgary quoting a newspaper opinion poll by the Calgary *Albertan* made of the eleven executive members of the Calgary South Conservative association. The only paragraph I want to quote from that dispatch is this one:

The newspaper said that the executive members not only expressed complete confidence in Mr. Nickle, but also endorsed his stand on the pipe line.

I think it is fair comment to say, Mr. Chairman, that the members of the executive of the Calgary South Conservative association and the many thousands of Calgarians who elected me to this house on two occasions did so in large measure because of two things. One was their feeling that over a good many years I had acquired quite an extensive knowledge of an industry which is rather vital to western Canada and I think increasingly vital to all of Canada. Second, I think these Calgarians, all Canadians, also had in mind their belief, which I hope has been substantiated, that I was quite prepared to call the shots as I saw them without fear or favour with regard to anyone.

My purpose in rising tonight, Mr. Chairman, is partly to state again why I support this particular government measure by speaking, with reservations, in favour of it. But the main reason I rise tonight is to state why I have voted for the measure on first and second readings and why I intend to vote for it on further occasions. I am doing so because my right to vote on this measure has been questioned on the ground that I am presumed to have a direct pecuniary interest. The mover and seconder of the motion to disallow my vote, the hon. member for Winnipeg North Centre and the hon. member for Assiniboia, contended that I was barred by standing order No. 11.

This order is one which, so far as I can ascertain, has hitherto in its very rare application been applied only on private bills, for example, to bar a member from voting on a private bill for incorporation of a privately financed company in which that member may have a direct financial interest. It has never been applied to any public bill, whether for incorporation of a crown corporation such as Northern Ontario Pipe Line, or whether for authorization of use of public funds for payment to wheat farmers, old age pensions, family allowances and so on, for all members of parliament could be construed as having a direct pecuniary interest by reason of their being taxpayers, and many members of parliament could be construed as having a direct pecuniary interest by reason of being recipients of a portion of such public funds.

I will leave it to parliament itself to resolve the question as to how, if at all, standing order No. 11 can or should be applied to public bills in general. So far as this particular public bill is concerned, I intend to prove there is no direct pecuniary interest

involved that would bar me from voting on the measure and, indeed, to prove that personal financial gain plays no part whatsoever in the various policies I have urged, the speeches I have made, and the votes I have joined in in this house.

I do not question in any way the right, the duty or the purpose of the hon. members in raising the question at 2.17 a.m. on May 23. I do say, however, that the reply I am now going to give is the one I would have given at that time had I been an expert on rules and procedure or a lawyer, neither of which I am, or had I had advance notice of the question as to my eligibility, which I did not, or had the question not been raised at the end of an extremely long sitting under circumstances requiring some immediate answer from me without opportunity to consider fully or prepare a detailed factual answer. Since then I have flown west to Calgary, and have gathered the necessary documentary evidence, all of which will be made available to the appropriate house committee and to the members who raised the question. Since, sir, it is unlikely that the committee can sit in the near future because of pressure of work in the house I will now present a short summary of the evidence and reiterate that, with a completely clear conscience, I intend to vote again on this bill.

Personally I would regard as "direct pecuniary interest" barring me from voting any shareholdings in Trans-Canada Pipe Lines Limited, the company to be directly affected by this measure. I have no such interest, and as I said on May 23:

> I state unequivocally that I have no share interest whatsoever in Trans-Canada Pipe Lines Limited and no shares whatsoever in any company which is a shareholder in Trans-Canada.

I will now quote from a document dated May 25, 1956, from the head office of Trans-Canada Pipe Lines Limited, which document states in part:

> Carl O. Nickle . . . does not own any shares in Trans-Canada Pipe Lines Limited and has no other rights, title or option, direct or indirect, to acquire any shares in this company. The books and records of the company do fully substantiate the above statement.

The move to bar my vote, however, was not based on any claim that I had a direct interest in Trans-Canada but rather that a company of which I was a director had entered into a contract to sell gas to Trans-Canada. Thus this presumed "indirect pecuniary interest" should be construed to be a "direct interest".

If even the slightest measure of indirect pecuniary interest may be deemed to bar a member from voting on this measure, then perhaps all members in the following categories might be disallowed: (1) All members from Alberta, on grounds that every Albertan will gain from revenues to the provincial treasury from royalties on gas produced from crown lands; (2) All members from communities, including Winnipeg, that will be served with gas through Trans-Canada, unless they are prepared to commit themselves not to use gas, because otherwise they would be direct beneficiaries of lower costs to consumers made possible by the government assistance involved in this measure; (3) All members who are shareholders of any company with gas reserves in Alberta, or shareholders in any gas distribution system in the five province area to be served by Trans-Canada; (4) in fact, we might bar all members because all members of this house are taxpayers.

I will now comment specifically on the grounds advanced by the hon. member for Winnipeg North Centre in his contention that my vote should be disallowed. It would appear that he believes the degree of presumed pecuniary interest should determine whether or not a member's vote should be disallowed and that he assumes I have such a greater degree of pecuniary interest than other members because of associations with oil and gas companies that I should, therefore, be singled out.

When he raised the question he stated, as found at page 4241 of *Hansard* of May 22:

> The information on which I raise this point is found in documents which are matters of record. I refer to the Parliamentary Guide, and I also refer to the *Financial Post's* directory of boards of directors. One can ascertain from these documents that the hon. member for Calgary South is the president, the vice-president or a director of at least nine oil, gas or pipe line companies.

His statement was misleading. My positions with these companies are a matter of public record, and always have been, partly because I have as a matter of policy tried to ensure that parliament, the public and the readers of my publications should not be under any misapprehensions as to my business relationships and partly also because shareholdings of directors of public companies are required by law to be matters of public record. Had the hon. member cared to examine other documents of public record, he could have given to the house complete details as to my shareholdings, gas reserves, contractual relationships with Trans-Canada, and so on.

To overcome that omission, I have obtained from each company of which I am a director or officer a document setting out, first, my shareholdings and percentage equity, second, their gas reserves, if any, and my equity in them and, third, their relationships with Trans-Canada, if any. These are available

to the appropriate house committee and also to the hon. members who raised the question.

These documents establish, first, that the pipe-line company of which I am a director is a small oil pipe-line firm serving one field in central Alberta; second, that only five of the companies have any natural gas reserves and, third, that at present none of these has entered into any gas sales contract with Trans-Canada, and only one of them is even negotiating a contract for gas sales. That one is Bailey-Selburn Oil and Gas Limited. It is also established from these documents that my personal equities in natural gas reserves, through shareholdings in these companies, total only 324,458 MCF. These include, through Bailey-Selburn, 220,758 MCF. I shall not detail these by companies other than that one.

Depending on their quality, location, marketability and other factors, the present worth of gas reserves in western Canada is appraised by the engineers and economists of the industry at from 1 cent to 3 cents per MCF. The only reserves in which I have an equity that might soon be marketable—part of those of Bailey-Selburn—are appraised by that company at a present worth of 2½ cents per MCF. Applying this value to all my share of reserves, including those not marketable, establishes a maximum present worth of all my personal natural gas equity of some $8,125.

Considering that these gas reserves, even after they commence going to market, will require more than a quarter of a century to actually produce; and considering also that there would be no cash return to me except when and if dividends were paid to shareholders from gas income, it is quite obvious that any personal financial gain from gas export would be at a very small and slow rate. If I were to retain such income for personal use it would do little more than keep me in cigarettes.

Actually less than one-third of the gas reserves in which I have an equity are even under negotiation for a sales contract. The document from Bailey-Selburn shows that that portion of the company's reserves located in the Bindloss field will likely be marketed through Trans-Canada under a contract now being negotiated. My equity in those particular reserves, through shares in Bailey-Selburn, amounts to 91,500 MCF, with a present worth of $2,286.75.

At the delivery rate scheduled, these reserves will be marketed over a period exceeding 25 years. My equity in the projected daily sales amounts to less than 10 MCF. Reduced to present worth of 2½ cents per MCF, this planned gas sale could be worth all of 24½ cents per day to me, if the income is actually paid out in dividends. And that figure is before personal income taxes. The sum is somewhat inadequate to affect my policies and votes in the House of Commons, even if I were inclined to let such personal interest affect my views.

To get back to the statement in the house by the hon. member for Winnipeg North Centre, as reported at page 4241 of *Hansard*, he used these words:

> . . . Bailey-Selburn Oil and Gas Limited has increased its proven gas reserves by about 31·4 trillion cubic feet under the acquisition of all the shares of Selbay Exploration Limited.

While presumably a quote from a magazine of which I am an editor, the statement was a misquote. The hon. member was exactly one thousand times too generous in his measure of these reserves in which he presumed me to have a large interest. The reserve was 31·4 billion, not trillion; and my personal equity in it—less than one-quarter of 1 per cent—is included in the figures I listed a few moments ago.

The key statement in the house by the hon. member for Winnipeg North Centre was this:

> It is my contention, Mr. Speaker, that the contract which this company—
>
> Bailey-Selburn.
>
> —of which my hon. friend is a director, now has with Trans-Canada Pipe Lines Limited is, prior to the passing of this bill, just a piece of paper. When this bill is passed and Trans-Canada Pipe Lines Limited is put in a position to commence operations, that piece of paper becomes a document worth a great deal in terms of dollars; and it is because of that direct pecuniary interest that it seems to me the vote of the hon. member for Calgary South should be challenged.

I challenge the accuracy of his statement, first because it implies that I personally stand to gain a great deal in terms of dollars, whereas in fact the potential gain to me might be some two-bits a day, if Bailey-Selburn should distribute all its gas income to shareholders; and second, I challenge it because in fact no contract had by that date, or has to date, been entered into between Bailey-Selburn and Trans-Canada.

There is an important fact that should be borne in mind. An agency of government—the petroleum and natural gas conservation board of Alberta—determines from what fields and in what volumes natural gas may be marketed. The prerogatives of directors of companies owning gas reserves, of which I am one, are limited to accepting or rejecting sale of their company's gas through the designated agency—in this case Trans-Canada—if their reserves happen to be in fields designated by the conservation board for export.

Under the terms of the permit issued by the Alberta conservation board to Trans-Canada,

the Bindloss field is among those committed by the board to Trans-Canada. Bailey-Selburn and other owners of gas in that field must, if they wish to market their reserves at all, enter into a contract with Trans-Canada. This company, of which I am a director, is now therefore in process of negotiating such a sales contract.

Under ordinary circumstances—and those surrounding the questioning of my right to vote in this house are not normal circumstances—there are certain matters I shall now briefly refer to that are rightly and properly the private concern of the individual and not matters for public revelation or discussion. Under these most unusual circumstances, where my integrity and honour have been publicly challenged, an adequate defence dictates that my personal affairs to some extent become public property.

I am prepared to prove to the appropriate committee of this house that my interests as a Canadian taxpayer would somewhat outweigh my interests as a participant in gas reserves, in my judgment and votes on the northern Ontario pipe-line measure. My income tax payments—including those of my wholly-owned company, C. O. Nickle Publications Ltd.—have amounted to $99,010 during the first four years and four months I have been a member of this house, and will possibly not be inconsiderable in the future.

I am prepared to prove that I have, from personal choice, followed a policy since I was first elected to the House of Commons designed to guarantee that I could derive no personal financial gain from attendance in the house, or from parliamentary decisions in which I might take some active part. This has partly involved meeting the costs of having my business enterprise run for me by others in order that I might attend sessions in Ottawa, and the added out of pocket costs of being in attendance here. These costs have been considerable.

This policy, and a normal human interest in the well-being of others less fortunate, has also involved my making donations and grants to charitable and educational causes, with particular emphasis on assistance to youth, in my home province of Alberta and community of Calgary. These have amounted to $123,509. The authority for these figures on taxes and gifts is Harvey, Morrison and Company, chartered accountants of Calgary, who audit my books.

I trust no member of this house will judge that I am trying to assume a role as a paragon of virtue. I am very far from being that. I am a capitalist, Mr. Chairman, and I see no reason to be ashamed of that label.

[Mr. Nickle.]

Like other members of Canada's parliament, I do have a sense of public responsibility and a social conscience, together with a strong faith in the future of our country and its people, and a desire to help realize that future. In this parliament, and in the years ahead when I am a private citizen again, a clean reputation is important to me and to the objectives I still have in life. I trust that the house, after its careful appraisal of all the facts in the rather distressing case involving my honour, will help restore something that I value more than money.

Meantime, Mr. Chairman, for the reasons I advanced in this house on May 15 and May 18—and for those reasons only—I again voice my support for this government measure. On the remaining occasions when votes are registered on this measure, I intend to cast my vote for it. I trust there will be no further challenge of that right to vote.

Mrs. Fairclough: Mr. Chairman, I must admit to having been extremely interested in the words which have just been spoken by the hon. member for Calgary South. I must also admit to having had a great deal of sympathy for the hon. member because of the position in which he found himself, where interests undoubtedly conflicted with interests.

I have only this to say. The hon. member has made quite a point of the amount of income tax he has paid and his charitable donations. All of us, Mr. Chairman, pay income tax according to our income, and it hurts the least of us as much as it hurts the richest of us. With respect to charitable donations also, if we have a public conscience, as I think most of us have, they are likely made in proportion to the amount of revenue we earn. I must say, Mr. Chairman, in behalf of myself and my colleagues, that the hon. member might have accorded us the courtesy of admitting that the rest of us are in precisely the same position.

This has been a difficult debate, Mr. Chairman, what there has been of it. Those of us who have fought, probably not in the debate itself because there has been too little of that, with the only means at our disposal have been fortified by the interest that has been taken in that fight as shown by the letters and telegrams which have come to us from our constituents and from others across this country. It is largely because of the interest which has been shown in this measure, not only, I might say, in the measure but in the incidents which have taken place in this house, that I feel it would be difficult for any of us to convince even our most well-meaning constituents that what has taken place here today could actually have happened. *Hansard* will not show it.

Hansard will show words; *Hansard* will not show emotions. It has been said many times of things that have happened in this world of ours in the last 25 years that it could not happen here. Mr. Chairman, it could happen here.

Mr. White (Hastings-Frontenac): It has happened.

Mr. Rowe: It has.

Mrs. Fairclough: On what is our government founded?

Mr. Purdy: On democracy.

Mrs. Fairclough: "Democracy", my friend says. It got a death blow this afternoon. You might as well just get out; you are no use in this house. Mr. Chairman, I would not have said a word to the hon. member had he not interjected.

An hon. Member: Do you not believe in the majority rule?

Mrs. Fairclough: I agree the majority rules, my friend; I do indeed. But when that majority abuses the use of the rules, of procedure and of precedents that have been built up in this country over hundreds of years, then it is not a case of majority ruling; it is the old steamroller tactics, the very type of thing that robbed Europe of democracy. I admit, Mr. Chairman, to feeling strongly on this subject; I admit to feeling so strongly that it is difficult for me to speak upon it.

An hon. Member: Oh, no.

Mrs. Fairclough: Don't say "oh, no". Possibly the hon. gentleman has not had in his family the history that I have had in mine. In the last 500 years, as I think I have mentioned in this house before, Mr. Chairman, my family has fled from persecution in two countries and it is here today in Canada, and has been here for five generations, thinking that in this country we had freedom. If this freedom is taken from us, Mr. Chairman, where do we go for sanctuary? Where do we go?

An hon. Member: Not to me.

Mrs. Fairclough: Not to you; you're not fooling. The type of thinking which prompted that remark, the type of thinking which prompted the votes which have taken place in this house today, Mr. Chairman, is the type of thing that has robbed free peoples of their freedom over this world many, many times.

I say to you advisedly that threats face us. There are so many kinds of people in this country. The people of the North American continent, and the people of the world, have been warned of threats of physical extinction by reason of atomic bombs or hydrogen bombs. But, Mr. Chairman, there are other types of extinction. To die; we all come to it eventually. If we live the proper kind of life we do not fear death, but a living death is a different thing. I say to this house that there are things to be feared worse than the death which may come to one from an atomic or a hydrogen bomb. I did not hear that last interjection from my friend. If he would like to repeat it I would be very glad to hear it. There have been a good many interjections in this debate.

I had intended to speak tonight specifically upon the gas pipe line. If events of this day have prompted me to depart from my intention it is probable that hon. members will understand that there are some things that need to be said under stress. We have heard a great many excuses given for the procedure which is now proposed on Bill No. 298. We have had quoted to us the words of many persons. As a matter of fact, almost always when anybody speaks in this house he refers to so and so who is an expert in his field. Experts! Many of them have been quoted to us. I do not know under what conditions they become experts, Mr. Chairman. I only know that just the other day, in the course of my reading, I found a modern definition of the word "expert" which said that "ex" is a has-been and "spurt" is a drip under pressure. We have been suspicious of those experts and I think it is only natural that we should be suspicious. All the circumstances have been suspicious.

The hon. member for Nanaimo made some excuses for the Minister of Trade and Commerce. Well, I am quite willing to go along with them. Possibly, in the words of the street, he was "had". It seems to me there are a few things we should bear in mind, and I would like to mention three or four around which my own suspicions have centred.

In the first place there is the length of time which has elapsed since the first charter of this company was procured. There has been a great deal of talk about the necessity for haste. It seems to me, however, the necessity for haste is something that has developed in very recent days. There seemed to be no necessity for haste back in 1951; and even granting that some hon. members of this house might think this thing really only started in 1953 after the company was forced into its present alliance, it seems to me there was no particular need for haste in 1953 or 1954 or 1955.

The early assertions of financial competence on the part of this company, which made a very fine plea before the committee when it was endeavouring to procure its charter, have

fallen by the wayside and now, rather than standing solidly on their own two feet, they are appealing for help.

The Prime Minister made some reference to what he termed "the amusing speech" of the hon. member for Peel. I am sorry, Mr. Chairman, I have made an error. It was not the hon. member for Peel and I apologize to the Prime Minister. It was the hon. member for Spadina who made the statement that he had seen Mr. Murchison on television some time ago and the interviewer asked Mr. Murchison if what he had heard was true, that Mr. Murchison had not put his own money into the ventures. Mr. Murchison replied laughingly, "not if I could help it." Apparently he does not intend to put his own money into this venture nor the money of the company with which he is associated.

I am impressed by the reluctance of the company to proceed with the northern Ontario section, the section which they took in their stride when they were applying for a charter. After it was made easier for them they found it was still too difficult for them to undertake. I wonder that the minister did not call them to task on that occasion because of their misrepresentations. Again they came along and said that now they had received help for the northern Ontario section they could not proceed with the easiest part of the line, the part from the Alberta border down to the vicinity of Winnipeg.

Then, Mr. Chairman, we had the spectacle of this company which had bragged that it was quite capable of financing its endeavours applying for this loan to finance the western portion, a loan which it has been admitted in this house can only be liquidated if this company can sell gas in the middle states. Meanwhile the bottleneck to such a sale has been created by the opposition presently being argued before the federal power commission.

I say once more, Mr. Chairman, that a most suspicious circumstance has developed out of this very situation, for here we have the spectacle of a large, powerful transmission company with heretofore a good public relations record which now departs from its usual methods of operation in these established markets and antagonizes distributors quite contrary to their established practice, to the extent that they are accused before the federal power commission of raiding an established market presently served also by reputable distributors.

I say if the transmission company had at its disposal contracts for the importation of large quantities of natural gas it would be quite natural for it to try to distribute that gas through recognized channels. Why would it attempt to antagonize the people already established in that field, unless it hoped by antagonizing them to stir up such resentment on their part that they in turn would do just what they have done; namely, appeal to the federal power commission not to give the permission which they sought? Mr. Chairman, it is a most suspicious circumstance.

I cannot see why in the face of all the suspicion anyone could fail to wonder whether this great, powerful and wealthy Trans-Canada corporation wants to get out from under, as appears to be the case.

I cannot help but be suspicious concerning the minister's position when he presses this company to go ahead with its plans despite the repeated actions on their part which dictate the very suspicions I have mentioned. The Minister says these people are the only ones who have contracts. He says they are the only ones who have the pipe, and that we cannot purchase this pipe in Canada. Oh, no? Apparently Welland Tubes got into operation a little sooner than the minister expected.

Mr. Howe (Port Arthur): Mr. Chairman, on a point order, Welland Tubes have not broken ground for their plant yet.

Mrs. Fairclough: All right; but they have accepted orders for delivery this year of 20-inch pipe.

Mr. Howe (Port Arthur): No.

Mrs. Fairclough: They have accepted orders for pipe to be delivered to firms in western Ontario this year.

Mr. Rowe: For 30-inch pipe. He knows that.

Mrs. Fairclough: The minister says no, Mr. Chairman, but I am much too suspicious even to accept a "no".

Mr. Hees: Attagirl.

Mrs. Fairclough: I submit that if the Minister of Trade and Commerce had put one-tenth of the energy into supporting the plans of a Canadian plant to produce pipe in Canada that he has put into trying to force a United States corporation to accept a Canadian loan which he will get from the Canadian taxpayers, we probably would have had 34-inch pipe before this time.

Mr. Byrne: Why manufacture pipe if we can't have a pipe line?

Mrs. Fairclough: Too bad I did not hear you.

Mr. Rowe: You did not miss a thing.

Mrs. Fairclough: Considering what has happened in the past, Mr. Chairman, and what has taken place in this house today,

yesterday and within the last two weeks during which the opposition has been gagged and stifled, when discussion has been prohibited, when questions have been unanswered and, generally speaking, parliamentary privileges have been prostituted—

An hon. Member: Whew!

Mrs. Fairclough: I have one last remark to make, and that is that it might well happen that before this whole thing is over what has been Howe's pipe dream may well become Canada's nightmare.

Mr. Hunter: Mr. Chairman, I am going to speak as a Toronto member. I think all hon. members will recognize it as a rare occasion when a Liberal from Toronto speaks as a Toronto member. Normally that position has been arrogated by the hon. member for Eglinton and the hon. member for Broadview. Therefore it is to that extent a special occasion. However, I do doubt very much whether the power of the hon. member for Eglinton and the hon. member for Broadview will continue after this terrific display of political legerdemain which they have put on during the last few weeks. I hope also that I shall not be as emotional as the previous speaker, because I think her remarks about the hon. member for Calgary South were tawdry to say the least.

Mrs. Fairclough: Emotion is born of fright, my friend.

Mr. Hunter: The matter of the pipe line has not been considered very much by the opposition, whose members have spent their time in making innumerable motions and raising points of order and questions of privilege. They have done everything they could to keep away from the pipe line. They have not a leg to stand on, and even stupid as they may appear to be they have found that out.

There is a great deal of gas in Alberta. They cannot use it, while we could use it down here. There is an incipient shortage of power in Ontario. I should like to quote from the submission by the government of Ontario to the royal commission on Canada's economic prospects. At page 56 they had this to say:

> Added to this will be capital expenditures for the development of electric power in the order of $125 million to $150 million a year, or from nearly $1·3 billion to $1·5 billion over the ten-year period.

In addition to that I am assuming that the premier of Ontario and his provincial treasurer know something about the province where they head the government. It has been read before, but I should like to read again the letter written by Hon. Dana Porter. The Tories talk about there being no urgency, but I wish they would listen to what the Conservative provincial treasurer of the province of Ontario had to say, and I quote:

> Generally, in view of our rapid industrial expansion, coupled with the fact that our hydro-electric power resources are now approaching their maximum limits of development, the necessity of new sources of fuel for our industries and our domestic consumers is becoming increasingly urgent. We agree with you that further delays in the construction of this project would have very adverse consequences. Time has become of the essence. Every day's delay invites the most serious consequences to the development of Ontario, and to the national economy. In these circumstances, it would appear essential that the western section of the line be completed during the year 1956. To accomplish this, we understand that actual construction must be commenced not later than July 1.

I hear it reiterated time after time by these great experts over here that there is no hurry. I cannot think of a more negative or obstructive or reactionary or destructive outlook. These people apparently do not want the pipe line built. They say they do, but their actions indicate otherwise. They have been objecting to the application of a thing called closure, and have been trying every dodge in the books to prevent it. I think it is high time this small group of political misfits began to realize that there is a government here and that it is going to run the affairs of this country.

I should like to refer to an editorial which appeared in the *Financial Post* of May 19, reading as follows:

> Here is an important piece of national business to get done. Weather in this country limits the construction season.
>
> One of the main reasons for the government going to the help of the pipeliners at all is to make certain that at least the Alberta to Winnipeg part of the line is built this season.
>
> It would be an outrage to let mere gas-bagging in the House of Commons result in the waste of another construction season.
>
> And this is important: All the political parties say they want a pipe line fast. There is no longer any argument as to what route the line should take. The only argument turns on what company shall do the job.
>
> One very disreputable effort at confusing the public relates to the financial help which the government is giving the pipeliners.
>
> One C.C.F.er gave his hearers the impression that the government loan to the pipeliners would be a charge on taxpayers' pockets the same as hospital bills or additional pensions.
>
> If this man had wanted to give his hearers the truth of the situation he would have pointed to the difference in the investing of money in a sound loan repayable with interest in a year and the spending of money for goods to be consumed—like ice cream cones.
>
> The fact of the matter is the government's help to the pipeliners is unlikely to cost the taxpayer anything. Either the loan is repaid with interest, or the government will own the line.
>
> The recent noise on parliament hill over the gas line should be recognized for what it is: a violent effort by the opposition parties to mislead and

befuddle the Canadian public in the hope of making political profit for the next election.

That is from a paper which has not always been friendly to this government. May I also refer you to another article which appeared in the *Financial Post* of June 2, reading as follows:

The Case for Speed is Clear and Urgent

The loud and lengthy row in Ottawa about the gas pipe line is not serving the national interest.

Opposition M.P.'s would like the public to believe that they are a platoon of John Hampdens saving parliament from executive tyranny and defending a Canadian natural resource against foreign exploitation.

What they are really doing is endangering a project that will be greatly to the advantage of the Canadians in the west who want to sell gas and the other Canadians, mainly in the east, who want to buy it.

It is unfortunate that negotiations with Trans-Canada did not mature fast enough to let the government present its plan earlier in the session. To announce closure before the debate began may have been ham-handed.

But the case for speed is clear. Actually the key purpose of the government's proposal was speed—to get the job going this summer.

If action in this construction season were not a matter of concern, the government would not be making its present proposal and Trans-Canada would be left to continue its hunt for loans in the normal places. So a lengthy filibuster which would prevent action this construction season would be just as much a frustration of majority will as defeat of the measure itself.

This is not a Sell-Out

The trouble with the opposition is not that it has been gagged but that it has been unconvincing and unconstructive.

Canadian taxpayers, it is said, are being asked to pay Americans for laying the pipe line. The fact is that the government is merely proposing a loan repayable with interest. And if the pipe line were any such sure-fire profit bonanza as some opposition speakers imply, there would not be five minutes' delay in getting the required loans. Actually, the pipe line itself is at best a very modest profit proposition.

Wildly extravagant and ill-founded statements have been made that this is a vicious sell-out of natural resources to foreigners.

Natural resources are of only hypothetical value until they can be sold. The pipe line will give western Canadians a lot of revenue for something they can't sell now. Their raw material sales will serve the interest of eastern Canadian industries and householders first.

Gas which is surplus to Canadian needs will be sold in the United States.

Do we hear cries of "sell-out to foreigners" when Canada makes gigantic sales of forest products and minerals to Americans, often through United States controlled companies? Of course not.

Let parliament stop this politics-playing, get this matter settled and get ahead on this and other pieces of important national business.

Of course, the C.C.F. want to nationalize the pipe line. I do not blame them for that. They have always been a socialist party, and they would like to nationalize all the means of production. Anybody with any common sense knows that if we can get a natural resource from Alberta to eastern Canada without paying for it with taxpayers' money, we would have a hole in our heads if we paid for it out of the taxpayers' money. This line is not a national asset; it is a construction job. If we can get private industry to pay for that construction job—

An hon. Member: If.

Mr. Hunter: —we would be unworthy of our positions here if we spent the taxpayers' money on it. They keep on saying, "We have sold our birthright." The only thing we have sold to the Americans is some surplus gas. What do they want us to do with it? Should we burn it or cap it? It is absurd to say we are selling out to the Americans when we are selling surplus gas to the Americans. The Americans sold us large quantities of oil during the war. They did not cut it off. They let us have it because they are friends of ours.

An hon. Member: You do not live in southwestern Ontario.

Mrs. Fairclough: They did cut it off during the war.

Mr. Hunter: You are a little emotional; keep quiet. Not only that, but this pipe line and the energy that comes from it will in turn provide employment for many thousands of Canadians who would never get that employment if they depended on this handful of misfits over here to my left. I wonder if they suggest that we should send back to the United States American subidiaries in Canada such as General Motors of Canada, Chrysler Corporation of Canada, Ford of Canada, Canadian General Electric, Westinghouse, Bell Telephone, International Business Machines, National Cash Register, Goodyear, C.I.L., Imperial Oil, International Nickel and Anaconda Brass? Would you send those companies back? They provide thousands and thousands of well-paid jobs to Canadian citizens.

Mr. Rowe: Whose policy brought them here?

Mr. Hunter: This is a very large scheme. In fact it is so large that the people in that part of the house cannot even understand it. The Leader of the Opposition brought up a new slogan the other day. How did it go? "On guard for Canada." I should like to suggest a more apt slogan than that for the Tories: "Obstruction always; construction never."

As far as this marriage of convenience between this so-called Conservative group, the great reactionary group, and the socialists is concerned, it is going to be very interesting to see what the progeny will be. One thing

is sure. The C.C.F. had better take note that the Leader of the Opposition is so famous for his boners that they are making a terrible mistake in going near him.

I wonder where the Leader of the Opposition gets his ideas. I have often wondered that. I certainly know where he could have got this one, and that is straight from Moscow. I have a pamphlet which reads:

Stop, Look, Listen, Premier St. Laurent!

That is signed by Tim Buck. Everything in it is what the Leader of the Opposition has been talking about for the past two weeks. It is rather amusing that the Leader of the Opposition could fall for this communist propaganda. It is not only inept; it is ludicrous. It just shows where political expediency can land an unwary politician. Anti-Americanism as a political platform is a tawdry and sordid affair.

Mr. Rowe: You should know; you have used it for 25 years.

Mr. Hunter: It took the Leader of the Opposition a long time to find out that under section 155 of the Companies Act the majority of directors had to be subjects of Her Majesty resident in Canada. First of all, he criticized the government very strongly for not providing it in the bill. But I understand the Leader of the Opposition has been out of the practice of law for many years and had forgotten the contents of part 3 of the federal Companies Act.

In conclusion I wish merely to say that this country and its citizens in the days to come are going to thank God for the Prime Minister of this country and for the Minister of Trade and Commerce.

Some hon. Members: Hear, hear.

Mr. Mitchell (London): Mr. Chairman, this Grit gag has been rammed so far down my throat—

An hon. Member: Good.

Mr. Mitchell (London): —that I do not know whether I can speak.

An hon. Member: You never could.

Mr. Mitchell (London): Even if I cannot, I am not sure it is worth while voicing my words in the tattered remnants of what was once a free parliament.

Some hon. Members: Hear, hear.

Mr. Mitchell (London): We have heard in the last few days some most amazing statements in this house.

An hon. Member: That is for sure.

Mr. Mitchell (London): We have seen some amazing incidents. I have been blessed with a strong stomach which has seen me through quite a few revolting occasions, and I have been able to stand a number of revolting statements. I say to you, Mr. Chairman, that this afternoon in this house occurred the most revolting thing I have ever heard. On the one hand, in an effort to drown out the speeches which could properly have been made, I heard a song, "Hail, Hail, the Gang's All Here; What the Hell Do we Care?" From the choir to my right I heard something I thought I would never hear in these halls—a travesty, a sacrilege—when they attempted to sing a song I have always loved. I think there are many members in this house, on all sides of the house, who resent the singing of that hymn in this house.

An hon. Member: You call it a song?

Some hon. Members: Name it.

Mr. Mitchell (London): I do not want to bother them any further than they are bothered now. They are so worried over there that they cannot even sleep. It was "Onward, Christian Soldiers", if you must have the name. The hon. member for Parkdale, who stands up with such righteous zeal, was one of those who participated in it.

We are discussing here not one pipe line but two pipe lines. One of those pipe lines is projected in the mind of the Minister of Trade and Commerce. The other pipe line is completed; it is the pipe line that runs from the desk of the leader of the house to the Chair. The only difficulty with that pipe line is that it sprang a leak on one occasion, and the Chair did not know; but the leader of the house was directing the Chair what to do.

An hon. Member: You have a filthy mind.

Mr. Mitchell (London): I have eyes too, and I can see what goes on, and I saw the nod that was missed. I saw the passing of papers from the Minister of Trade and Commerce to the Minister of Citizenship and Immigration, pure and simple evidence that the pipe line exists.

We heard some quotations—as a matter of fact, we did not hear very much but quotations—from the hon. member for Parkdale. I should like to refer him to a quotation from a speech made in the house by the Minister of Trade and Commerce who is piloting this bill, if you can call it piloting. As found at page 4405 of *Hansard* of May 28 the minister said:

. . . why are we pressing this? Well, I do not know—

Northern Ontario Pipe Line Corporation

That is one of the most significant statements, Mr. Chairman, despite what the member for Parkdale may say, that has yet been made in the house. "I do not know". In effect he says, "I do not know why we are ramming this down the throats of members of this house". Then he went on to say:

—perhaps I get overenthusiastic . . .

Well, Mr. Chairman, I have no objection whatsoever to enthusiasm. I get enthusiastic myself, and I think each and every one of us does. But I suggest that overenthusiasm is just as bad a fault and in many cases worse than a negative approach. It leads to trouble. Here we are with a bill on which debate has been closed off at every opportunity. There have been no second looks, and I suggest that second looks are often advisable, even for the omnipotent and all-powerful Minister of Trade and Commerce.

It was possible some weeks ago, Mr. Chairman, to have an honest and open examination before a committee of the provisions of the resolution and the bill. I admit that because of the tactics that have been followed by the government that is no longer possible. But we should at least have such answers as the Minister of Trade and Commerce can give us, and we should have those answers given to us here. I refer to another statement made by the Minister of Trade and Commerce found at page 4404 of *Hansard* of May 28, where he is reported as saying:

I have spoken three times in this debate—

You will recall what he did on each and every occasion when he spoke.

—and my purpose in rising now is to attempt to make this a committee where questions that are asked can be answered.

Mr. Fulton: And he is not even here tonight.

Mr. Mitchell (London): Mr. Chairman, I suggest that he has not answered the questions. In fact, one of the amusing things is that the only question he answered he answered incorrectly. At page 4475 of *Hansard* of May 30 I find these words of the minister:

I have a correction that has to do with the figures I gave on the cost of gas.

That is the only time he has intervened to answer any questions that have been posed to him during the course of the debate. You say: All right, what questions have been asked that he has not answered? I refer you to the remarks which were made by the hon. member for St. Paul's. I refer you to the questions which were asked by the member for Peel. I refer you to the remarks which were made by the member for Spadina. All I can say, Mr. Chairman, is that with the exception of this one time when the minister intervened to correct a misstatement he had made, the minister has not deigned to answer the questions which have been posed to him.

I now propose to refer to some remarks made by the Minister of Trade and Commerce last session. During a somewhat similar debate I made some reference to the unemployment and farm relief act, which has also been referred to during the course of this debate. The minister interposed during the course of my remarks to say, as found at page 5028 of *Hansard* of June 20, 1955:

Mr. Speaker, I am sure my hon. friend would like to amplify a little. I do not recognize the legislation. Was that the blank cheque legislation?

Subsequently, Mr. Chairman, on the next occasion when I had the honour to be addressing the house the minister again referred to that remark to which I replied, as found at page 5796 of *Hansard* of July 6, 1955:

Referring to blank cheques, what could be more of a blank cheque than this present legislation?

At that time, Mr. Chairman, I had no idea just how far the present Minister of Trade and Commerce would go. Standing here tonight I am reminded of a musical that I have enjoyed witnessing and listening to on many occasions but which has now ceased to have the same enjoyment for me because it contains a certain song I would love to sing but for lack of voice will not do so. The words are, "He's gone about as far as he can go." The present minister has certainly gone about as far as he can go; but who knows, apparently there are no limits to the arrogance and the imagination of the person who holds that portfolio at the present time. I say further that, politically speaking, the government has not only gone about as far as it can go. It has gone as far as it can go.

What about this blank cheque? I propose to examine what are the normal requirements of a cheque. No. 1 is the date. We have before us a cheque in the form of a bill, a bill which is placed before us for signature. The only definite thing about that bill is its date. Usually the person drawing the cheque, namely this parliament, has something to say about the date. This cheque was dated long before it was ever placed before the drawer for consideration. The payee came to the government with a gun in its hand and said "either or else". I want to know what vicious circumstances lie behind the fact that the government has the unmitigated gall to bring to parliament for signature a cheque which was dated long in advance of the time we had any opportunity to consider it.

The tragedy of the matter is that the drawer is dying in the process, and only the future will tell how bad indeed was this cheque. The drawer will die of the fetters that

shackle him, just as surely as free men and free parliaments have done elsewhere; and you and I, Mr. Chairman, have seen them so die.

What is the second requirement of a cheque? I suggest that it is the name of the payee, and I ask who is the payee of this cheque? On looking at section 4 of the bill I find the name of the payee. We have not been permitted to discuss sections 1, 2 or 3. Section 4 is the first opportunity we have had to consider the nature of the person to whom this cheque is going to be made payable. Who is the payee? The minister talks of blank cheques. This cheque is not only blank, it is bunk.

I ask you, Mr. Chairman, to examine clause 4. In clause 4 I find that the payee is named on about five occasions, namely "the corporation." Who is going to negotiate a cheque made payable to "the corporation"? We have had no opportunity to discuss the nature of the corporation, what its assets were, what its liabilities were or what its possibilities of building this project were if we signed this cheque. As far as this minister is concerned I can only say this; how blank can he get?

Let us now look at the next requisite of a cheque. I suggest to you, Mr. Chairman, that perhaps the amount is something which should be considered. In this case the government contends that it is presenting to us—

Mr. Fulton: More instructions via the pipe line?

Mr. Mitchell (London): Yes; the pipe-line corporation is in action, I see. The government presents to us a cheque which it says is for $130 million. I look at section 6, in which it is said that the amount shall not exceed $130 million. Mr. Chairman, I ask you this question. Is that a proper cheque? I ask that question for two reasons. One is this. May the amount be less? But by far the most important one is this. What is going to happen if this chosen instrument of this all-powerful minister fails to raise the necessary financing? Then this cheque is going to be raised. This cheque is going to have to be raised.

Mr. Chairman, may I now turn to what is perhaps one of the other most serious requirements of a cheque and it is this. On whom is this cheque drawn? Who is the banker who is going to pay this cheque when we are forced to sign it? I suggest that it is the Canadian taxpayer, as each and every one of us knows, and that once again he is being put in the position so well depicted in various cartoons as "UNO Who". What does the average taxpayer know about what is taking place on this particular occasion? We have been throttled here. We have had no opportunity of calling witnesses before us, as was done when this chosen instrument received its charter—

An hon. Member: Oh, oh.

Mr. Mitchell (London): Somebody says "oh, oh"; and that very somebody was present, I believe, in the committee that examined and cross-examined the witnesses when they established to the satisfaction of that committee that they were able to finance and to build this line completely in Canada. Now he says "oh, oh". What has happened? Why have we not been given the opportunity, by examination and cross-examination of competent witnesses, to find out why this company that was the chosen instrument is no longer able to finance and build this line completely in Canada? Why have the Canadian people not been told through the medium of that committee and through the medium of answers—however inadequate—given in that committee what the proposition is? Not only are the Canadian people not being told, Mr. Chairman, but we have had closure thrust down our throats at every step.

I suggest to the minister that he could have saved himself and his government a great deal of trouble if he had gone into this matter on a businesslike and reasonable basis, and had applied closure if necessary instead of as of right. If he was interested in having the public, who are going to foot the bill, know what was going on, why did he not permit reasonable debate at all stages? Why did he move closure immediately on the resolution? Why on the second reading? Why on clauses 1, 2 and 3 in committee?

An hon. Member: For concealment.

Mr. Mitchell (London): Why did he do that? I submit, Mr. Chairman, that all he had to do was permit the debate to take its normal course. Then if he found that the debate was not taking a normal course, if he found that the opposition were obstructing and being unreasonable, that was the time to introduce closure and no one could have criticized him for doing so. But here he had a date set long before the people who are going to be called upon to sign this cheque had even heard of it. He had a date set, and he is determined to ram this thing through this house in the quickest possible time. Then he is amazed, hurt and dismayed to find that Canadians who sit on this side of the house are not prepared to be treated in that way.

The Acting Chairman (Mr. Henderson): May I advise the hon. member that his time has now expired.

Northern Ontario Pipe Line Corporation

Mr. Stuart (Charlotte): Mr. Chairman, the official opposition seem to have had two things in mind all through this debate; first to get as far away as possible from discussing the bill—and we have had some very good examples of that tonight—for the obvious reason that they had nothing better to offer; and second, to use every means at their disposal to prevent those who wish to debate the issue from doing so.

Mr. Fulton: Is this another Cockfield Brown speech?

Mr. Stuart (Charlotte): For five years in the committee on railways, canals and telegraph lines and in this House of Commons they built up the hon. member for Calgary South as an expert on oil and gas.

Mr. Fulton: No, we didn't. You did.

Mr. Stuart (Charlotte): All their problems in connection with oil and gas were taken to the hon. member for Calgary South for his approval or disapproval, and not a single decision could be taken without his endorsation.

Mr. Fulton: Did you have your eye at the keyhole?

Mr. Stuart (Charlotte): His word was the final answer for the Tories during those five years. During this debate, however, the Tories who are so critical of closure being applied imposed a rigid type of closure. They speak so often of freedom of speech. In so far as the hon. member for Calgary South is concerned, not one single word could he have uttered in this house if in any way they could have stopped him. The only way he was allowed to speak was for some of the other parties to give him the floor in place of one of their own members. It was not the Tory party which gave him the privilege of expressing his views. After this privilege had been provided, however, his friends—those who had been boosting him as an oil expert for five years—after he was given an opportunity to speak in place of a Liberal, tried to stop him from speaking.

Another great worry among the Tories is United States domination. We hear that so often.

Mr. Fulton: Hear, hear. Read the current issue of *Maclean's* magazine.

Mr. Stuart (Charlotte): They object to United States capital coming into this great country of ours to develop the industries that provide employment for Canadian people. They have always advocated Canadian raw materials for Canadians first, and no export of any raw material until every Canadian from coast to coast has been satisfied, regardless of how unrealistic this might appear from an economic standpoint. One of their group, however, takes a far different view. The hon. member for Broadview, speaking on this matter on May 18—and these remarks will be found at page 4090 of *Hansard*—was asked by the hon. member for Halifax if he supported the McMahon proposals. The hon. member for Broadview replied:

> The McMahon proposal looks like an excellent one. Yes, I certainly do.

The McMahon proposal was designed to export 80 per cent of the capacity of the pipe line outside of Canada. That statement came from one of the greatest flag-wavers I have ever seen in the House of Commons. Not 20 per cent was he going to export; he was prepared to export 80 per cent. I for one—

Mr. Michener: What is the capacity of the pipe line?

Mr. Stuart (Charlotte): —have little worry with regard to United States capital coming into this country. In fact—

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

Mr. Stuart (Charlotte): I sat quietly here for three weeks while you were yapping.

Mr. Fulton: That is the courtesy you get from the Liberals.

Mr. Stuart (Charlotte): I can think of no better capital that can come from anywhere. I might also suggest I can think of no finer people that I would like to have as neighbours.

Mr. Fulton: We do not mind them as neighbours; we do not want them as owners.

Mr. Stuart (Charlotte): I would not mind having them in my house. I have brothers and relatives in the United States and I consider that they are as good United States citizens as I am a Canadian.

Much of the criticism that we have had to listen to as well has centred around the fact that the government was lending money to a company which originated outside Canada. That has been a great worry to our Tory friends. One would be led to believe that the Tory party had never supported such a proposal, and would fight any such idea just as long as they could stand on their feet.

In looking over the record of that once great Tory party since the turn of the century—and I am thankful we have had very few Tory governments in that period—I find that order in council P.C. 2490 of November 29, 1933, under the Bennett government,

guaranteed a loan to the Canadian Pacific Railway of $60 million; and at that period less than 13 per cent of the stock of that company was owned in Canada.

This government has been called the "government by order in council", or the "order in council government". That loan was granted by R. B. Bennett by order in council. He did not bring it before parliament, and it was not tabled until the next session. I suggest that $60 million is an enormous amount of money because in that period, 1933, it constituted 20 per cent of our total federal revenue, and today it would be the equivalent of over $900 million, based on today's revenue. I wish to make it abundantly clear, however, that I am not criticizing the loan to the Canadian Pacific Railway.

Mr. Fulton: Your government permitted inflation.

Mr. Stuart (Charlotte): I would suggest that under the Tory party of that time God knows anyone who could get a loan needed it, individuals as well as large corporations, because I went through that period with my two hands in salt water trying to make a living and I know how hard R. B. Bennett tried to make it for me to live at all. Therefore I can realize why large corporations and individuals would need a little help. But might I say of this period that while a $60 million loan out of a total revenue of $300 million was granted to the Canadian Pacific Railway, R. B. Bennett could find only 20 cents a day for the poor working man who could not find a job. The amount involved in this bill that we have been trying to discuss here is less than 2 per cent of our total revenue; in fact, 1·7 per cent.

We have heard all this talk about United States domination, lending money to a company that is not owned within Canada, but here is an example of the great government of R. B. Bennett that lent 20 per cent of the total revenue of 1933 to a company that was 83 per cent owned outside this country of ours.

Mr. Pearson: By order in council.

Mr. Stuart (Charlotte): I should like to take a few minutes to deal with some criticism that was handed out by the hon. member for Eglinton. I understand that for some cause he was called out of order. Tonight I noticed that the hon. member for Hamilton West used these words when speaking of the Minister of Trade and Commerce, "under suspicious circumstances". Well, now, in my opinion and in the opinion of a great many in this house, the drama that was put on last Friday, a week ago today, was prearranged and premeditated well in advance. It came to a conclusion, however, as a result of what was called the refusal of the chairman to allow the hon. member for Eglinton to speak.

I have gone over *Hansard* of three days only, May 23, 24 and 25. I find that the name of the hon. member for Eglinton appears as speaking 118 times during that three-day period. If the 264 members had taken the same amount of time we would have had 31,152 speeches, and if the average length of their speeches had been five minutes, not 15 minutes or 20 minutes, it would have taken 155,760 minutes or 2,596 hours.

Now, we all know that the average hours of sitting of this house over the week are five hours a day. If this is broken down I find it would take 519 sitting days to provide all the members the same privilege accorded the hon. member for Eglinton during those three days. With a five-day week, which is what we have been working, it would take—and I want hon. members to remember those figures—104 weeks or exactly two years without any recess at all to give all members of the House of Commons the same length of time that was given to the hon. member for Eglinton. He is the hon. gentleman who spoke over the radio and over television and was quoted in the press and had parades in the city of Toronto. I understand that thousands turned up at the airport.

Some hon. Members: Twenty-six.

Mr. Stuart (Charlotte): I leave it to the house and to the citizens of this country to judge for themselves whether the hon. member for Eglinton was denied the right to speak in the House of Commons.

Mr. Fulton: Get the figures accurately; don't distort them.

Mr. Stuart (Charlotte): Was there some question? I would like to say at this point, for the benefit of the hon. member to my left, that he should remember those figures. Those 104 weeks, or two years, would take us to clause 4 of this bill; that is all. It would take us 104 weeks to reach clause 4 because that is where we were when the flag was put on the hon. gentleman's desk and he bowed out of the House of Commons. I leave it to the house and to the citizens of this country, as I have said, to judge whether the hon. member for Eglinton had been denied the right to speak in this house.

I want to say just a few words about closure.

Mr. Fulton: When are you going to get to the pipe line?

Some hon. Members: Oh, oh.

Mr. Stuart (Charlotte): Over four months ago this government and the people of this

country were warned by prominent members of the official opposition and of the C.C.F. group over the radio, in the press and wherever they could find a chance to speak, that they were going to filibuster the pipeline bill.

Mr. Fulton: What a panic you fell into.

Mr. Stuart (Charlotte): We knew that early in January. Over this 4-month period they kept the threat before the public continuously that they were going to filibuster, and it was suggested that the filibuster of last year was but a drop in the bucket.

Mr. Fulton: Panic, panic.

Mr. Stuart (Charlotte): Closure is a rule that originated in the mother of parliaments, and we hear that quotation from the Tories quite often. It has been used 122 times in the past five years at Westminster.

Mr. Fulton: They do not have a closure rule there like this one.

Mr. Stuart (Charlotte): Why should the Tories object to the use of a device of their own creation, because it was their own prime minister who used it first in this country. I want to suggest that I am one who believes that closure should have been used long ago, and I want that to go on the record right here tonight. One case was during the debate on the wheat bill a couple of months ago, when we sat here day after day and heard the same thing over and over again.

I say that for this reason. The very people whom we were trying to help were the ones who were filibustering. We who come from eastern Canada and from the far western part of the country suggest to you that it gets very tiresome when we have done everything we can to try to assist that particular group and we have to sit here and take abuse for doing it. That is why I am suggesting tonight I only wish that we had used closure before, and I hope we use it more often in the future.

I have one other thing to say. I see my time is getting short. I hope the day will never come in a democratic country when the majority are unable to rule. I believe in an opposition.

Mr. Ellis: When are you going to say anything about the pipe line?

Mr. Stuart (Charlotte): I have said more about the pipe line than all of your group put together since the debate started. I believe in an opposition, surely, but I do not believe in minority rule. That section of the British North America Act quoted by the hon. member for St. Lawrence-St. George on Tuesday night is a very appropriate and a very good reminder.

Mr. Fulton: What has that to do with the pipe line?

Mr. Stuart (Charlotte): The section he referred to was section 49, which reads as follows:

> Questions arising in the House of Commons shall be decided by a majority of voices.

Mr. Rowe: Voices?

Mr. Stuart (Charlotte): And when we get away from that fact we are getting a long, long way from democracy.

Mr. Rowe: You did say voices?

Mr. Stuart (Charlotte): There would have been voices heard in every case if your group had not forced recorded votes. If you had not done that about two-thirds of the votes would have been standing votes; but no, you wanted to waste more time and keep your whip in the corridors and up in the rooms.

Mr. Rowe: You said voices but you won't let us talk. You tell us we can vote but not voice.

Mr. Stuart (Charlotte): Constructive criticism is a fine contribution to any debate, but when one criticizes without at the same time suggesting some alternative proposal one is wasting one's own time and the time of the house.

Mr. Rowe: So you say.

Mr. Stuart (Charlotte): The opposition have stated many times that they have been denied the privilege of discussing the first three clauses of this bill. Surely they will not insist they have discussed clause 4 after this debate is over, because we have listened to a discussion concerning everything in the wide world except the bill itself. They have, without interference from the chair—they have never been called to order—strayed as far away from the subject as they liked. We have had a rehash of elections in Quebec and Saskatchewan and in other places, and no one was called to order.

The last thing in the world that group wanted to do was discuss this bill. Why? It is for one reason and for one reason alone; they do not have a single constructive suggestion. There was not an idea in their heads, any more than there ever was. The only thing they wanted to do was discuss procedure and waste time in an effort to delay this thing.

I will mention one other matter briefly. We have been told on many occasions that this is one of the most important debates

in the history of this country. Well, I sat across there last Tuesday afternoon and for one hour there were never more than eight Conservatives in their seats, and for quite a long period there were only three. These are the gentlemen who inform us this is one of the most important debates that has taken place in the history of this country. If it is as important as they suggest, I am still eagerly waiting for some of them to discuss it.

An hon. Member: They have gone home.

Mr. Stuart (Charlotte): However, they do not want to discuss it because they have nothing to offer. They are just stumbling around in chaos. That is exactly the position they are in at the present time, I would say.

In closing I want to say, regardless of what has been said in the heat that has been generated since this debate began, the minority in this house may believe they should be running the show but that just cannot be so. The majority must rule. It is all right to obstruct to a certain point, but when the obstruction gets to the point where we have demonstrations such as we have seen here in the last ten days it is going too far. I might also say without any thought or fear of contradiction that crass statements that should have been withdrawn have all come from that part of the house.

I have been here for 11 years, and I believe I have made some friends in the city of Ottawa. In conclusion, I do not know how long I will be here but as long as I am here I pray I will never say some of the things that have been said during this debate, and I hope they will never be said again in this house. Let us get down to business and do the work we were sent here to do, and forget about wasting time.

Mr. Fulton: Tell us about the pipe line.

Mr. Stuart (Charlotte): Let us forget about defeating one another—

Mr. Fulton: Come on, tell us about the pipe line.

Mr. Stuart (Charlotte): Davie, I will say this to you in closing. I have listened patiently to you during all the time you have been on your feet and some of the craziest ideas I have ever heard—

Mr. Fulton: Tell me about the pipe line.

Mr. Stuart (Charlotte): —have come from you.

Mr. Fulton: Tell me about the pipe line. That is what I want to hear. Tell me about the pipe line.

Mr. Stuart (Charlotte): Yes, I will tell you about the pipe line. The pipe line will be built and this government will get credit for supporting it—

Mr. Fulton: Where?

Mr. Stuart (Charlotte): —and you will be damned for opposing it.

Mr. Nicholson: Mr. Chairman, I am going to start out very quietly but I am not sure that I will be able to control my pitch and my volume to the end.

Mr. Nowlan: Pep it up a bit.

Mr. Nicholson: In the first place I want to say how proud I am of my colleagues.

The Acting Chairman (Mr. Henderson): Order. Could we kindly have quiet.

Mr. Nicholson: I want to say how proud I am of my colleagues who have been fighting this legislation from the first opportunity we had to do so but I want to pay a special tribute to the hon. member for Vancouver-Kingsway—

Mr. Fulton: Shouldn't we all rise and pay tribute to the hero who is leaving the house?

Mr. Nicholson: The hon. member for Vancouver-Kingsway and the Liberal whip are the senior members in this chamber. I telephoned my colleague the hon. member for Vancouver-Kingsway this morning, after reading the article in the *Gazette* written by Arthur Blakely. The hon. member for Vancouver-Kingsway was especially moved that a brilliant young correspondent would devote his entire column to discussing him under the title "The man from Glen William". This is a little community down in Prince Edward Island which my colleague left over 50 years ago, and it really touched him to have been associated with this interesting part of the island.

However, I think when the history of this period is written the hon. member for Winnipeg North Centre will be remembered as the hero of this occasion. I think it was a week ago last Saturday night when we were working on our homework until practically midnight. The hon. member for Winnipeg North Centre came bursting into my room and said, "I have found it at last," and then he proceeded to read as follows:

> Can that be dealt with without the consent of the provincial legislatures? Legally, I say it can. The situation appears to me to be this. There are persons and nations who reach a high estate in the affairs of men, and the high estate they reach imposes upon them high obligations. There was no obligation on the Tribune Festus to say to King Agrippa that he could not deliver Paul to the Jews when they requested that he be put to death. It occurs to one, however, that they also

had reached a high estate, which imposes a corresponding obligation. I copied out of the Bible on the table of this house, from the acts, the quite natural statement of Festus:

"It is not the manner of the Romans to deliver any man to die, before that he which is accused have the accusers face to face, and have licence to answer for himself concerning the crime laid against him."

At this point I broke in. "What are you reading?" I asked. "Wait till you hear the rest of it", he said; and he continued:

There was no statute; there was no law which required that this be done; but there was the concept in the Roman conscience that it was the proper thing to do.

If it is fair; if it is just; if it is proper according to the standards of human decency, it will be done; if it is unfair; if it is unjust; if it is improper, all members of this house will say, "It is not our manner to do such things".

The hon. member for Winnipeg North Centre said, "That was our Prime Minister; don't you remember back in 1946"? I must confess I had forgotten about the incident. I do not know of any person in Canada who would have remembered that speech for ten years and would have thought of finding it and using it in this particular debate other than the hon. member for Winnipeg North Centre. I recall the incident. Our late friend Art Smith from Calgary directed a very difficult question to the then Minister of Justice, the present Prime Minister, who without any preparation and without any notes made this remarkable reply.

I must express real sympathy for the Prime Minister of Canada for having had to go through experiences which I am sure have been most distasteful to him during the past two or three weeks. I have a similar feeling for the Minister of Trade and Commerce. They both entered public life after they had done their share of the world's work. They both had achievements of which they could be proud. The only explanation I can give is that they have had very bad advice.

The hon. member for Nanaimo said that the only person he could think of on the government benches or in the cabinet who could conceive and give such poor direction was the Minister of Citizenship and Immigration. I cannot think of anyone else either on the government benches who could use such poor judgment and who could convince his elders to pull so many boners. I think the majority of the government members are embarrassed as a result of the leadership they have been forced to follow during these difficult days. I am sure the majority of them were unhappy when some of their colleagues made no contribution whatever to this debate except to stand up and vote and call out "Shame" when the hon. member for Winnipeg North Centre was performing his duty. I am also convinced that when the committee has made its report it will be demonstrated beyond a shadow of a doubt that the hon. member for Winnipeg North Centre was right as usual.

Another thing; when the hon. member for Rosetown-Biggar mentioned the fact that three of our colleagues had gone to hospital since this started, hon. members on the other side laughed.

Some hon. Members: Oh, oh.

Mr. Nicholson: It is on the record. Two members stood up and said, "I did not laugh." I am sure there is no hon. member opposite who will stand up and identify himself as having said "Shame" on May 22 when the hon. member for Winnipeg North Centre was performing his parliamentary duty, not one. I am sure that hon. members who said "Resign" will not stand up and identify themselves as having made that remark. It is a sorry day for Liberalism when the only contribution some hon. members are prepared to make is to cry "Shame" when the hon. member for Winnipeg North Centre is making the outstanding contribution that he is.

My second point is to pay tribute to the press of Canada. The press of Canada has been able to do what the elected representatives of the people were unable to do. The elected representatives of the people pleaded with the Prime Minister to give extra time, but what were they told? The answer was "No." But as a result of the press reaction across Canada the government has been forced to give us two extra days. Is it not significant that although two members have placed on the record tonight press dispatches which prove from their point of view that the government has the press behind it, only two papers were quoted, one article being quoted by both hon. members, the *Financial Post* and the *Financial Times*.

An hon. Member: The *Globe and Mail*.

Mr. Nicholson: Yes, I shall come to the *Globe and Mail*. But what about the Winnipeg *Free Press*?

Mr. Rowe: The Toronto *Star*.

An hon. Member: The Calgary *Herald*.

Mr. Nicholson: Referring to the hon. member for Winnipeg North Centre, the Winnipeg *Free Press* had this to say:

All political differences can be set aside to say of Mr. Knowles, in his home city of Winnipeg, that he is the hero of the present debate and that the position he has taken on the parliamentary issues—on the way to do things, as distinct from what is being done—is the position in which any liberal and democrat must rejoice to be with him.

That is what appeared on the editorial page of the famous Winnipeg *Free Press*, one of the greatest papers in Canada. Here is what Grant Dexter, a very able correspondent who for years on every possible occasion presented the behaviour of this government in the best possible light, had to say writing from Ottawa:

Through all of this hubbub, the most arresting figure on the government side of the house was Prime Minister St. Laurent. He sat, impassive, expressionless, chin in hand, an open book on his desk, silent. His aloofness is almost unbelievable.

Especially at a time of high controversy, prime ministers, regardless of who the house leader may be, always dominate proceedings and lead their own party. Mr. St. Laurent does neither.

Mr. Harris: Would my hon. friend be good enough to refer to the speeches the Prime Minister has made since that date.

Mr. Nicholson: I would, but unfortunately my time is limited to 20 minutes.

Some hon. Members: Oh, oh.

Mr. Nicholson: The Prime Minister was dishonest yesterday—

Some hon. Members: Order.

Some hon. Members: Withdraw.

Mr. Nicholson: —in representing to the house that Mackenzie King accepted closure in 1932 without protest. I have not the time to read what the Prime Minister said yesterday and what Mr. Mackenzie King said in 1932, but anyone who wants to read *Hansard* will come to the conclusion that the bright boy, the Minister of Citizenship and Immigration, who was a professor of history, did not brief his leader adequately before he spoke yesterday.

I am sorry the Minister of National Health and Welfare has left, but I am sure he will agree with me that the Windsor *Star* is a most reliable paper. Last Saturday the Windsor *Star* had this to say:

Sorry Spectacle in Commons

It is well to recognize, however, the government is to blame. By autocratic methods it is forcing through the house legislation which is not in the best interests of Canada.

Mr. Pickersgill: What is the hon. gentleman reading from?

Mr. Nicholson: The Windsor *Star* of Saturday, May 26. Also from the Windsor *Star* by Lum Clark, who is a close friend of the minister—Mr. Chairman, I must draw your attention to the fact that the Minister of Citizenship and Immigration is trying to cut down my time limit of 20 minutes.

Mr. Pickersgill: Nothing would give me greater pleasure.

Mr. Nicholson: Lum Clark had this to say:

During debate on the emergency powers act, Right Hon. C. D. Howe said: "If we want to do it, who do you think is going to stop us?"

Who is going to stop the government ramming through the pipe line loan?

If the Liberals want to do it, they can vote it through. Party discipline will see to that.

Th Windsor *Star* also said:

The late Right Hon. W. L. Mackenzie King had his faults. He had, however, a respect for the Commons and an ability to handle it. He would never have resorted to closure—

Mr. Pickersgill: Oh, oh.

Mr. Nicholson: One member of the government, the Minister of Citizenship and Immigration, is the only one who is applauding.

An hon. Member: Mackenzie King is communicating with him.

Mr. Nicholson: That is the message, I suppose. I continue:

—it being alien to his concepts of Liberalism. And Mr. King would never have been trapped into the deal in which the present government has got itself.

I must finish, Mr. Chairman. Mr. King would never have been trapped into the deal into which the present government has got itself.

What has happened in the Commons during the past few days always will be a stain on the Liberal party's banner. It is impossible to reconcile true Liberalism with the methods of autocrats.

Of course I must not pass over the Toronto *Star*. There are a number of other newspapers that I have here, but the Toronto *Star*, which has so loyally supported the present administration—

Mr. Pickersgill: What is the date of that?

Mr. Nicholson: This is dated Saturday, May 26:

The government made its mistake in resorting to closure before there was any justification for it.

Mr. Pickersgill: Read some of the editorials this week.

Mr. Nicholson: It continues:

If it admits this error now by permitting several days of unfettered debate, it can help to wipe out the bitterness that has developed and get the pipe-line debate back on a serious and constructive plane.

The London *Free Press* says:

Respect for the Speaker is vital to the survival of parliament, but this respect must be earned and maintained by impartial use of the powers which parliament vests in the Speaker.

I see the minister is following this very closely. This is in the London *Free Press* of Monday, May 28.

One of the most unfortunate aspects of the present situation is the position in which it places the Speaker and the difficulty he faces in maintaining anything like an impartial attitude under current conditions.

Northern Ontario Pipe Line Corporation

The pipe line may be an important issue and speed may be essential in implementing it. But the preservation of parliament and its rights to investigate is much more important.

May I conclude with the words of a great Canadian, Sir Wilfrid Laurier. When he was in a situation such as we have had here in the past short time, he said:

We introduced the reciprocity measure on January 26, and on July 29 we had not yet been able to obtain even a preliminary vote upon it. We had been met at every step by obstruction from the Conservatives, then in opposition; dilatory motions of every kind were made, speech after speech was delivered day in and day out, even in the dog days of summer. I did not complain. I did not whine. Two courses were open to me. I could have done as is done today by the prime minister, I could have introduced the closure and said that we must carry on the business of the government and that consistently with our dignity, we could not allow obstruction. But there was another course open to me and that was an appeal to the people; and I advised my colleagues to give the hon. gentlemen of the opposition the opportunity of appealing to the people. We appealed to the people and we were defeated. Heaven is my witness that I would rather stand here today, defeated and in opposition by that appeal to the people, than stand over there in office by the power of the gag . . .

I challenge the Prime Minister of Canada to prove himself to be worthy of a great Canadian and take this issue to the people of Canada.

Mr. Bell: As is usual in such serious matters, there is a bit of humour or satire in certain things that have taken place. I am reminded of that said humour when I pick up a newspaper I received today and see the headlines, "Howe Says Sabre Best for Interception." There may be some argument as to whether it was a sabre or a guillotine, but I think we all agree that the interception was very good. I also notice that the same newspaper has a headline saying that we are watching Russian tactics. I do not think any comment is necessary on that headline.

An hon. Member: Perhaps they should be watching ours.

Mr. Bell: Seriously, I want to say at the beginning of my remarks in this serious debate that I appreciate, as a younger member of parliament, the opportunity to witness these historic days in our Canadian history. I have been fortunate or unfortunate to come from a political family and for that reason, perhaps more than any other, it has been a great privilege to have been here and to have witnessed what has gone on. I appreciate also that there are two sides to every argument, and I appreciate that probably decisions will be made during these great days; but I say without any fear of contradiction that it has been an honour for me and they are days that I shall never forget.

[Mr. Nicholson.]

Coming from the maritimes, I want to begin by considering the maritimes aspect of this so-called all-Canadian issue. Many references have been made to British Columbia and the maritimes, and to the fact that they will not benefit from this pipe line. Probably the most important was the reference the Minister of Finance made in his very good speech the other night. I think he will probably agree that the weakest part of it was the part when he came to the maritimes—

Mr. Harris: Are you speaking of me?

Mr. Bell: Yes; I said it was a good speech.

Mr. Harris: Thank you.

Mr. Bell: I do not know whether it was good in comparison with the other speeches made by members on your side who have spoken, or the fact that you do not speak very much; but it was a good speech. However, the weak part of it—and the minister knows this, because when the hon. member for Royal and I interrupted him he knew we were on a strong point—is that the maritimes are going to get absolutely nothing out of this so-called all-Canadian pipe line.

The question I would like like to ask is. How much have the maritimes been considered in the investigations that have taken place with respect to the said pipe line? Was it the same as the St. Lawrence seaway, this all-Canadian seaway that will never help us one bit, this seaway for central Canada? We were not considered for one minute. There are no figures available. There are no records of investigations or all the various inquiries that might have been made into the economy of the maritimes.

Are we going to get a pipe line down there some day, in 1960 or 1970? Is it going to end at Montreal? How about some statements on that? I have some natural gas in my constituency right now. I think Albert county has about 177,000 MCF. I should like to know whether the government at some time is going to assist with a pipe line. Those are the questions we should like to ask with respect to the maritimes.

Now I come to my second point, and it is a point that means a great deal to us in the east. That is the issue of United States interests. I shall try not to be too emotional, though it is very hard after a day like this; but I shall say this, and the hon. member for Charlotte can take note of it. We have a tradition and a loyalty in the east, and I mean the far east, not the east that stops at Montreal. We have a tradition and a loyalty that is first in Canada, and I am not ashamed of it. We have the Loyalists, we have the Acadians, we have the Scotch and Irish immigrants who came out to Canada because

things were tough at home. We are paying a price to be in confederation, and we want to know that things are being run well and run from an all-Canadian point of view.

The last issue, and I feel it is the most important, is one that is bigger than the pipe line. It is bigger than anything we have considered here. It is the issue of closure and the associated rights of parliament. I have my thoughts on the matter. Some people may say that it is a sinister move of the government to bring into Canada an evil form of government that is not known on the North American continent. In a recent report from Ottawa, Norman MacLeod said in an article:

> Canadians can expect the use of closure on an increasing scale. For it is about to become, so far as the St. Laurent government is concerned, an accepted and routine feature of the machinery of parliament. That is something that very few among the M.P.'s themselves realize, most taking it for granted that the current resort to closure in connection with the pipe lines bill is a one shot performance.
>
> But the other evening a senior cabinet minister commented: "There is one really big thing that the government has done in its handling of the legislation in parliament; it has revived closure as a part of the normal legislative process."

How evil are these thoughts, Mr. Chairman.

Some hon. Members: Oh, oh.

Mr. Bell: As I said, there will be various reasons given and various explanations made why the closure motion was introduced, particularly why it was introduced in the committee stage at the first shot, an unprecedented move in our history. That, Mr. Chairman, was the day the great Liberal newspapers of Canada turned against the present government. The Winnipeg *Free Press* and the Toronto *Daily Star*, in editorials that have continued until today, have criticized as strongly as they can the use of closure at the committee stage in the unprecedented way it was used.

What is the reason for this, Mr. Chairman? I will tell you the reason I think it was invoked. The reason is that the members of the present government, particularly those who sit on the front benches, have not the respect for the traditions of parliament they should have, and I will tell you why they have not. Because they have not any political background.

Some hon. Members: Oh, oh.

Mr. Bell: All right, I will back that up. There are eight members of the present cabinet who had no political savvy whatsoever when they were appointed to the cabinet. More than that, they were not even members of parliament. I am going to take a minute to deal with this point, because I think it goes to the root of the whole problem. They have not the respect for British traditions that they would have had if they had been interested in politics before they became members of parliament. Let us look at the record. The Prime Minister was appointed to the cabinet on December 10, 1941. He was elected a member of parliament on February 9, 1942.

Some hon. Members: Hear, hear.

Mr. Bell: How about the Minister of Trade and Commerce?

Mr. Sinclair: Twenty-one years in parliament and you have been in parliament three years.

Mr. Bell: How about the time before that? How about the time he was in business?

Some hon. Members: Oh, oh.

Mr. Bell: All right, this is my point, Mr. Chairman. He was elected in 1935 and appointed to the cabinet on October 23, 1935.

Mr. Sinclair: Twenty-one years.

Mr. Bell: What do these people know about grass roots politics in Canada? What do they know about our traditions?

Some hon. Members: Oh, oh.

Mr. Bell: Hon. members laugh, but I wish today that Edmund Burke could come into this house and see the flagrant use of closure that has been made. I would love to bring Disraeli and Gladstone here and show them a silent Prime Minister on one of the most important days in our history. These members of the cabinet do not have that appreciation of the traditions of politics that mean so much to us, or the early training that would have prevented such action at this time. To sum up this point, I say that is one reason in my opinion why we are having trouble today, because in the cabinet there are eight men who came up the easy way.

Mr. Sinclair: Jimmy Gardiner?

Mr. Bell: They did not win their spurs in politics in any respect before they came to the glorified positions of members of the cabinet. I can name them, too. There is the Minister of Labour sitting there.

Some hon. Members: Hear, hear.

Mr. Bell: I shall not go into his background. In fact perhaps I should say that he did have an interest in politics. How about the Secretary of State for External Affairs?

Some hon. Members: Hear, hear.

Mr. Bell: How about that other civil servant, the Minister of Citizenship and Immigration?

Some hon. Members: Hear, hear.

Mr. Pickersgill: Does the hon. gentleman suggest that I know nothing about politics?

Mr. Bell: Mr. Chairman, after the smart remarks that have been made by the Minister of Citizenship and Immigration today and on previous occasions, I wish he would take one of these loose closure motions that are lying around and use it on himself. But that is what is the matter with this government today. They have not the feel of politics in their blood. They have not taken the time to find out what is going on at the grass roots level in this country today. Most of them have been in business or in the civil service, and they were fortunate enough to be around in the wartime days of that great mediocrity of Canadian politics.

I say, Mr. Chairman, that the days are coming when these giants of the war days will pass. But those are the reasons we are in this state. It is not the opposition; it is not the Liberal backbenchers, it is these eight men in the cabinet who came up the easy way.

An hon. Member: How did you come up?

Mr. Hodgson: He came up in the merchant navy, and none of you fellows had guts enough to get in it.

Mr. Bell: I mentioned when I began that in the maritimes we have a very proud tradition and history, and we are paying a price to be in confederation. Make no mistake about it. When the director of the national gallery says that Saint John is the ugliest city in Canada and the maritimes have the least social and cultural development of any area in Canada I do not like it, no matter how untrue it may be.

Some hon. Members: Oh, oh.

Mr. Bell: I say there is a responsibility on the Prime Minister to do something about that and not throw out the smokescreen that he did at the labour convention in Toronto a few days ago. He knows that was a smokescreen. We have been trying for a long while down our way to get some assistance, but what happens? It is the same old smokescreen, and the Minister of Finance knows it. He knows why we are waiting.

As I say, we respect our part in confederation. We have a proud old motto down our way which is—I am not too sure of my Latin —*spem reducit*. It means "bring back to life". I should like to throw that thought out in this house tonight, because I say the opposition are bringing back to life the real parliament that was known only by those early British parliamentarians whom the cabinet ministers have not even heard about.

The other night I read in the Toronto *Star* of May 28 a report of a meeting in North Bay, at which the hon. member for Timiskaming is reported as follows:

> Of the closure motion taken by the government she said "I can't repeat here, at a ladies' meeting, the words that I have heard in the house about it. The screams and roars have been terrific. We're back in the days of Sir John A."

In view of those words of the New Brunswick motto, I hope we are moving back to the days of Sir John A., because I think it would be a great contribution to Canada. In closing I want to say one thing more. Hon. members have made light of the fact that we took a Canadian flag and draped it over the desk of the hon. member for Eglinton.

An hon. Member: Where did you get it?

Mr. Bell: I want to say this. The worst part of it as far as the government were concerned was that for an hour and a half they had to look at the flag that a great many of them had not even seen before, much less appreciated.

Mr. Habel: As the member representing a riding most vitally interested in the construction of the pipe line I would feel remiss in my duty if I did not take part in this debate. However, it is my intention to try to talk about the pipe line.

I was much impressed by the speech made by the hon. member who has just taken his seat. In the last part of his remarks he referred to the flag incident. I may tell him that it did not have on me the impression it had on him, and I shall tell him why. It was the second time I had seen the flag act. I had seen the same thing done in the Ontario house by the Tories. When they are cornered they have recourse to the flag. Whenever they find themselves in a bad spot they say, "O, Canada; we stand on guard for thee". But when it comes time to sing the national anthem they do not want to listen to it.

Some hon. Members: Oh, oh.

Mr. Habel: I regret, Mr. Chairman, as much as does any other member in this house the illness of certain members of the Conservative party. But if we wanted to dig a little bit to find out the reason for their illness, it might well be that we would find the reason in the report in the Ottawa *Journal* dated January 17, which reads as follows:

> Tom Bell, M.P. for Saint John-Albert, newly elected president of the young Conservatives of Canada, said his organization had renewed its pledge of loyalty to Mr. Drew—"We are going out united, strong and eager to do something for this party and the easiest thing to do is just 'get mad at the Grits' ", said Mr. Bell.

No one who saw what has taken place in this house in the last few weeks on this pipeline issue will say that the Conservatives did not heed that call; and mad they are in the true sense of the word. On checking the meaning in the New Century dictionary I find the following definition given of that word: "Disordered in intellect; insane; senselessly imprudent", and many others I would not dare use. That may be the reason for the illness of some of their members, which I regret as much as they do. However, I think it would help a great deal were they not to get that mad in talking about the pipe line.

An hon. Member: Does that include the Minister of Justice?

Mr. Habel: I want to congratulate the cabinet most sincerely for having taken the position they have taken on this issue. The pipe line is a vital issue to the whole of Canada, but it is a main and vital issue to the riding which I have the honour to represent. We heard the hon. member who just took his seat refer to the Minister of Trade and Commerce and say that he had come up as minister the easy way. May I read just part of a clipping that I have from the Timmins paper, the *Daily Press*. The Timmins *Daily Press* is a paper which belongs to the Thomson company; and if I am right, Thomson himself was a candidate in 1933 under the Tory banner. Therefore no one will ever say this is a Liberal paper. Here is what it says about the Minister of Trade and Commerce:

> There is no doubt that when the passing of the years shall have permitted a detached, impartial review of Canadian events in the past two decades, historians will ascribe to Mr. Howe major credit for the sweeping changes which are lifting Canada from an agricultural economy to a giant combination of both agriculture and industry, and are rapidly raising the nation to the status of a great world power.

Those words are very different but they are written by a Tory. Then in the Timmins *Press* as well, dated May 5, 1956, there is another editorial. I shall not read the whole thing but just the heading. I repeat that the Timmins *Daily Press* is owned by the Thomson Company Limited, and everybody knows how Tory that company is. Here is what they have to say in the headline:

> Government deserves praise for actions on the pipe line.

We in the northern part of Ontario have been looking forward to the day when a government would seek to help us to develop new industry and also to supply the power needed for existing industry. We are absolutely satisfied today with the stand the government is taking on the construction of a pipe line. I hold here in my hand a clipping. The hon. gentleman who immediately preceded me—I refer to the hon. member for Saint John-Albert—quoted from the Toronto *Star*. I will quote from the Toronto *Star* of May 18, 1954. The heading is:

> Despite Drew stand, "We need pipe line gas"—Porter.

I happen to know Mr. Porter, and I know he is in the Frost government in Ontario. The Toronto *Star* goes on to say "Howe's pipe line policy only one making sense".

We hear a great deal about United States capital. Here is a clipping from the Toronto *Star* of May 1, 1956. The heading is:

> Rapping investment of U.S. funds "biting hand that feeds you".

Here are the words of D. W. Ambridge, president of Abitibi Power and Paper Company:

> D. W. Ambridge, president of Abitibi Power and Paper Company, yesterday said he had no sympathy for critics of expansion of U.S. capital into Canada.

I doubt very much whether Mr. Ambridge happens to be a strong supporter of the Liberal party. Yesterday, on getting my newspaper of May 30, I was surprised indeed to read the report from Ottawa written by Patrick Nicholson, who, I understand, is a reporter for the *Daily Press*. Here is what he had to say:

> George Drew, leader of the Conservative opposition in parliament, has an unequalled talent for snatching disaster from the jaws of opportunity.
>
> Independent comments—if anyone in Ottawa can remain truly independent during the current pipe line wrangle—suggests that Drew has unerringly picked a dud again. Just so in the 1949 election he vainly strove to make the North Star aircraft a successful election issue. Just so in 1953 he vainly tried to win the electors by the wild proposal for dramatic tax cuts, which one of his more puerile advisers here dreamed up.

We heard a lot about closure, Mr. Chairman. I should like to remind the Leader of the Opposition that he himself used closure once in the provincial house. During this debate I have seen in the gallery every day throughout this week the very man against whom he used closure at that time. He was glad to see the tactics of the Tory party, because they were exactly what he was trying to do himself in the provincial house at the time he was turned down by the Tories.

That goes to show, Mr. Chairman, that they are not able to speak about the pipe line. They have vainly talked about closure, rules and procedure. If I had a certificate to issue to hon. members of this house, it would be issued to the hon. member for Winnipeg North Centre. I would give him a certificate for being a master of the rules and regulations.

Northern Ontario Pipe Line Corporation

At the present time we need the gas for industry up north. I have been told that we need it also for new industry. No less than the minister of mines of Ontario, who happens to be a Conservative, said on November 25, 1954:

Months of effort ended, pipe line through north—Kelly.

Lately Mr. Spooner, the provincial member for the riding of South Cochrane—and by the way, he is a Conservative member as well—is reported as follows:

Spooner stresses need for gas in the north

Already the Ontario municipal board has given the gas company the red light to start installing the pipe and all the needed accessories in towns like Hearst, Kapuskasing, Smooth Rock Falls, Cochrane, Iroquois Falls, and so on. In my home town of Kapuskasing we have the Spruce Falls Power and Paper Company and Kimberly-Clark. By a mere coincidence all their production is going to the New York *Times*, and we do not oppose that at all. That company will be using 2½ million cubic feet of that gas a day, and they are in dire need of it because, on account of the dry weather last summer, they were very much afraid they would have to curtail their operations. In fact, if one should know about gas it is the Leader of the Opposition himself. He is aware that to supply that company with the necessary power in 1953 a line was built from Crystal Falls to Kapuskasing, a distance of something like 250 miles; otherwise they would have had to close down.

There is another Abitibi Pulp and Paper Company mill at Smooth Rock Falls. There is one also at Iroquois Falls. The Abitibi production is going to the Chicago *Tribune*. We do not oppose that at all; we are satisfied with that. They are also in need of power.

As the Minister of Mines and Technical Surveys said the other night, northern Ontario is one of the richest storehouses of mineral wealth in the world. I was glad to hear the minister say that. To justify that statement, may I say I hold in my hand an editorial from the Timmins *Daily Press*, dated July 7, 1955, which reads:

Ore Find Near Kapuskasing of Tremendous Interest

A report, which may have important economic repercussions in the north, came from Kapuskasing last week. It was to the effect that Algoma Steel, Bethlehem Steel and United States Steel are bidding on iron ore deposits found 30 miles north of the pulp and paper town.

The report said that the first drill core from the deposit had assayed 50 per cent magnetite and 2 per cent titanium. The presence of titanium, it is stated, means that the ore is easily refined and is thus more valuable.

While information at this stage is sketchy, "reliable sources" believe that the deposits could be vast. One informant has described the assay from first drilling as "richer than Steep Rock's richest".

[Mr. Habel.]

At Kapuskasing, in fact, a company paid $1 million for a claim in the north about three weeks ago. At Hearst lately, seven big firms have become interested in copper-nickel showings discovered last summer. I find this report in the *Northern Tribune:*

Seven important mining companies are interested in the property in Scofield, Ebbs and Talbot townships, which is said to contain extensive deposits of copper and nickel.

So the north is growing with all these things, and we need the gas as soon as possible. We do say with a certain assurance that we shall get it with the construction of that leg of the trans-Canada pipe line this year. It would also help in the decentralization of industry, which is one of the things in which the hon. member for Saint John-Albert is interested in.

It may also be of interest to the committee to know that as far as fuel is concerned, in the north, in the riding I represent, we pay as much as 25·8 cents a gallon for oil and as much as $32 a ton for hard briquettes. When you think of that you know what it means to us to have gas for heating, and we are looking forward to getting it as soon as possible.

I had intended to talk tonight about the obstruction of the opposition. In fact what they have done in the house is not to oppose; it is pure obstruction, but I shall refrain from talking about that. One thing I want to say is that the Leader of the Opposition always takes the stand that all government policies are wrong and everything should always be done his own way, either by select committees or by royal commissions. Then he complains of the supremacy of parliament being ignored. Well, in this instance parliament will express its will and I hope the Leader of the Opposition will understand that once the majority has voted for a measure it is parliament which has spoken.

There was also the question of United States capital. I am not going to dwell on that, but one thing I want to dwell on is this. What will be the stand of the opposition a year from now if we have to take over the trans-Canada pipe line. It is a loan that we are authorizing in this bill; it is not a hand-out. This loan is guaranteed by the assets of the Trans-Canada Pipe Lines. Where will you be next year if the assets have to be taken over? If that happens will you then stay with your friends of the C.C.F. party who are for public ownership? Will you follow the motion which the young Conservatives passed, asking that it should be built under public ownership? I just wonder about the hon. member for Dufferin-Simcoe, who

suggested that he did not believe in the Ontario hydro because it cost too much to administer.

I conclude with these remarks, Mr. Chairman. I happen to be on the Liberal side. I was elected as a Liberal in 1953. I am going to say that even if the riding I represent today was represented by a Conservative on the other side of the house, instead of one Tory member bolting his party there would be two, because any Conservative who represented a riding in the north would not dare oppose such a necessary measure.

Mr. Stanton: Mr. Chairman, it has been initimated by many hon. members both in the house and throughout Canada that the Conservative party is opposed to the trans-Canada pipe line. Nothing could be further from the truth. I repeat, nothing could be further from the truth.

I tell my hon. friends on the government side of the house that we have not been stalling them; they have been stalling themselves. They have sought to put through the house in three weeks' time what they should have done in the last three years. They have been trying to cram this bill down our throats, to run it through the house within three weeks' time.

It is now five years since Trans-Canada Pipe Lines got their franchise to build the line across Canada, and what have they done? The government have been playing around with this company in a way worse than one would expect from a knock-kneed old man.

We have been told here in the house that we are to be blamed for obstructing the passage of this bill. That is not the case; we have not been obstructing the passage of this bill. I can tell my hon. friends on the government side of the house that if the Leader of the Opposition had been the prime minister of Canada five years ago with his Conservative following he would not have played around with Trans-Canada Pipe Lines. He would have insisted they get down to work and I am sure the western section of the line would have been completed by this time and he would be ready to go on laying the line across the province of Ontario to its destination at Montreal. He is a man who is willing, ready and insistent about getting jobs done.

My mind goes back to the time he was premier of Ontario, at which time he insisted that United States pulpwood industrialists build their mills in Ontario. At first there were delegations coming down from northern Ontario insisting that the export embargo should not be put on pulpwood because it would mean that many men would be deprived of work. What happened? The embargo was put on and that industry came up from the United States and established mills in Canada. At the present time that industry is supplying work for many thousands who are engaged in the manufacture and processing of printing products.

As I said, we are not opposed to the trans-Canada pipe line but we are opposed to the contents of this bill. Why? First, Trans-Canada came to the government and told them, "You must build the line across northern Ontario from the Manitoba border to Kapuskasing". We know at that time many of the government supporters were opposed to that project. But apparently the Minister of Trade and Commerce overruled them and said, "There it is, you must take it," and like the sweet little boys they are they took it.

Then Trans-Canada came back this winter and informed the government that they would have to finance the line across the prairie provinces. The government swallowed that too, hook, line and sinker. What will happen when the line is built to Winnipeg? There are about 110 miles between there and the Ontario border. The company will come back and tell the government—this company with its millions of dollars—that the government must put up the money. The government will be told they must furnish the money for that 110-mile stretch of the line and the government will do it because they do everything Trans-Canada tells them to do. These rich oil magnates appear to have a way of wrapping our government around their little fingers. The government toes the line, just as private members of the Liberal party toe the line at the crack of the Liberal whip.

We have been told that Canadians cannot finance this line. How do we know? The government has never given Canadians an opportunity to finance it. I am sure if Canadians were given half the chance that is given to the rich oil magnates to the south they would put that line across Canada just as is being done in British Columbia where a line is being built without any government assistance whatever.

What about the question of raising money? Canadians surely have the money. Canadians have raised millions for housing. This government can extract money from Canadians in the form of taxation in the sum of approximately $5 billion. If Canadians were given a chance and were treated decently I am sure the pipe line could be built without government assistance.

Some hon. members have asked what opposition members will say when they go back to their home constituencies. I would like to

read from *Hansard* for May 22 at page 4215, the comments of the hon. member for Kingston:

I have been gratified to note that in this house on the votes on the introduction of this legislation, the Liberal members in the big market potential area along the north shores of lake Ontario and the St. Lawrence river have voted unanimously in favour of the introduction of this bill. In other words they have voted for the immediate transmission of natural gas to their areas as an alternative source of energy.

At the same time the Conservative members for Ontario, Prince Edward-Lennox and Leeds constituencies have voted against it. Why? Can they go home and say to their electorate. "Your need for an alternative source of fuel is different in Oshawa than in Belleville, is different in Napanee than in Kingston, is different in Brockville than in Cornwall," or can they say, "You do not need natural gas until years from now." I am sure we will note with interest their explanation to their electorate of their objections to this legislation.

I may say, Mr. Chairman, we have no objection to the trans-Canada pipe line, but I know the citizens of Leeds county—knowing them to be the true Canadian citizens they are—would not tolerate my supporting this legislation. If I voted for the bill as it stands at the present, and if I voted for the closure motions that have been brought into this house, I would have to hang my head in shame when I went back to my own constituency.

The closure motion has created a rebellion amongst people across Canada. Every place we go we hear of it. Even Liberal newspapers have voiced disapproval of the government's action. I have in my hand a list of Liberal papers which are drastically opposed to this legislation and to closure. This list includes the Winnipeg *Free Press*, The Saskatchewan *Star-Phoenix*, the Toronto *Daily Star* and many others. Closure is something which has been wrongly perpetrated upon hon. members of parliament. It is a disgrace to the government which is ruling us at the present time. When I use the word "ruling" I mean it, because the government is ruling us in these proceedings just as Napoleon ruled his army.

Social Credit members have voted with the government, but I can understand their attitude. I specifically mention the Social Credit members from Alberta, because I believe the Social Credit members from British Columbia are just trailing along. They are anxious to sell their gas and they do not care how they get it out of Alberta. They do not care by what means they get it out or who pays the shot. They are adopting a dog in the manger attitude in order to get it out. They do not care who has to finance it.

If the Social Credit government of Alberta has so much money, as they are always saying; if that government is such a wonderful government, if they are in such good financial circumstances as they say they are, if they are making as much money as they say they are, why do they not furnish the money to build this trans-Canada pipe line across the prairie provinces? They are the ones who are so anxious for it. If it is such a good investment let them invest their money in it and not ask other parts of Canada which will receive no conceivable benefit from it to invest their money.

After listening to and watching the proceedings of the Liberal government and the Liberal cabinet and the Speaker of the house during the past two days, especially today; after listening to their remarks, I should like to quote from a speech made by Edmund Burke on March 22, 1765, during a debate on conciliation with the colonies, when he said:

A great empire and little minds go ill together.

As I said before, many people across Canada and many organizations are protesting against this closure motion and against the pipe-line bill. I wonder if the members of the government and government supporters have telegrams and letters piled up on their desks, as many Conservative members have, congratulating them on the attitude they have taken on this bill and on this closure. I think not. Church organizations which have prided themselves on staying out of politics have attacked this closure motion, and in this connection I quote:

The session of Olde Davenport United Church in midtown Toronto voted last night to petition Governor General Massey to dissolve parliament and call a general election over the natural gas pipe line dispute.

The petition was based on the contention that:

1. Many Canadians are opposed to the loan because it is to be made to an alien firm for a domestic project.
2. Canadians haven't been given a chance to express their attitude.
3. That a cabinet minister, not named in the petition, has opposed putting the measure before the people.
4. The government is due to expire shortly anyway.

"We are sending this petition because we feel our democratic rights as Canadians are being misused."

No words could be truer. Last year we had the big debate on the ridiculous defence production bill, and this year we have the Trans-Canada bill, this vicious bill. No doubt next year, if this same Liberal government is here, the citizens of this country will wake up some morning and read in the press—that is the only way we can get any information from this government; we get it in the press next day—that this cabinet has passed an order in council inviting the Russian government to come over here and man the D.E.W. line for which they will be paid magnificently.

Mr. Henry: Mr. Chairman, it is indeed an honour and a pleasure to support this legislation in this chamber this evening. As I see it, it is both financial and administrative. It works toward a most laudable national result, in that it will provide for Canadians our first natural gas pipe line. This result is all the more laudable because it will be an all-Canadian route. To obtain this program of national development in 1956 we in this house are asked to approve the setting up of a crown corporation and the making of the necessary arrangements that go with it to provide for a lease-basis operation in northern Ontario in the hands of private enterprise. In addition we are asked to approve of a money-lending arrangement, on a short-term basis, to cover the western section.

Our policy is not new on the Canadian scene. It is a blending of both public and private enterprise. It gives first chance to private enterprise and second chance to public enterprise. I summarize it in this way: "It is public enterprise if necessary, but not necessarily public enterprise".

My approach in this debate is to discuss the area of agreement which I think is discernible on both sides of the house. This pipe-line bill in my view is a good thing for Canada, and I think hon. members on both sides share this view. It is a good thing in principle for Canada at home as well as abroad. I look at the problem in principle from Canada's position in NATO, the United Nations and the commonwealth. We are grateful in this chamber for the presence here of the Secretary of State for External Affairs, a former president of the United Nations. We have valued the analysis he has given us of our external affairs, and of late we are particularly pleased with his analysis of our relations with the communist bloc. I would refer to his statement that we are in a period of competitive peaceful coexistence. I think all will agree that we have come through a hot war, a cold war and that now we are in a period of a cold peace. Our freedom from fear has not lessened in any remarkable degree, and indeed we are proceeding to keep in a very firm position our NATO program of war prevention.

Let us turn now to the communist Russian viewpoint on natural gas. It is the policy of the communist bloc to try to crack the west economically without force of arms. In Canada the communist party has resorted to the principle of "divide and rule" in order to discourage Canadians from developing the seaway. Now they are adopting the same tactics in relation to this, our great national program for a natural gas pipe line.

We have two notable broad basic economic problems in Canada. I refer to the fact that in the first place we have to try to maintain a competitive low-cost economy, and in the second place we are now starting an increased program to increase our secondary industries. On the North American continent there is a position which is well known as to the question of natural gas and reserves thereof. The United States, Canada and Mexico have a monopoly of the western world's supply of natural gas. We have then the same problem on this continent, to provide low-cost energy to our many industries. This is a function our neighbours on this continent and ourselves perform in relation to the development, marshalling and distribution of natural gas. It is a low-cost fuel, and it will help to maintain the industrial supremacy of the North American continent in the world struggle for competitive coexistence, as described by the past president of the United Nations.

There are two approaches, that of technology and that of diplomacy, in the development of natural gas. I have no doubt that all members in this chamber on all sides were pleased when they heard of top level conferences in which Hon. L. B. Pearson, past president of the United Nations, and our Prime Minister, the father of the NATO pact, conferred with the President of the United States and the President of Mexico. These three countries monopolize this low-cost energy fuel. It is the duty of the western world to operate in diplomacy and technology as to this matter. The meaning of low-cost natural gas in the United States has been very great indeed because that great natural gas industrial nation consumes 88 per cent of all the gas in the world. I refer to 1953 published statistics in this connection.

How long are the gas pipe lines of the United States of America? They are reliably reported to be longer than their railways and longer than her oil pipe lines. In 1953 the figures showed that there were over one quarter of a million miles of natural gas lines in the United States.

The Russian approach is indeed worthy of serious consideration. In the last pre-war five-year plan of Russia, the orders were that natural gas developments were to be doubled. We have not heard much since then, but we can depend upon it that Russia is not going backward in the development of natural gas but rather forward. When we consider the present position of the communist party of Canada and we see those tactics employed of "divide and rule" in this great nation of ours, are we not reminded that Russia knows the

value of this great asset on this great continent? Should we not be warned as to what is the real aim of our enemies in this part of the western world?

Technology speaks to the western nations. I would refer to the Woytinsky report on world population and production, covering as it does, as of 1953, trends and production in this field. This is a well recognized report published by the twentieth century fund and financed by the Rockefeller Foundation. The words to the western nations in this report are that we should develop all available oil and gas now, without delay.

Mr. Cameron (Nanaimo): On a point of order, I wonder whether the hon. member would identify the document from which he has been reading?

Mr. Henry: I would be very glad to do so, and I have already done so. If the hon. member looks at *Hansard*, it will be adequately identified tomorrow.

Mr. Cameron (Nanaimo): *Hansard* of tomorrow is not yet published. Can the hon. member identify the document from which he is reading?

Mr. Henry: I am not reading from such a document, and I wish to go on, as the time is short enough.

Mr. Knowles: Whose fault is that?

Mr. Henry: I have been impressed, as have other members in the chamber, with the approach taken by the Minister of Trade and Commerce to this subject. I think he has taken the proper approach, and it is the world approach, which appeals to me. He has a true vision of the position, as has his colleague the Prime Minister, father of the North Atlantic Pact. He has a true vision of our position in the United Nations, and indeed in the commonwealth. Are we not discharging our obligations toward our NATO partners in admirable fashion?

To maintain competitive coexistence abroad, we must consider what this means in Canada. It means—

Mr. Nicholson: On a point of order, it is a well known rule that speeches must not be read in committee or in the house. In view of the fact that a great many members are denied the right to read speeches, surely hon. members on the government side should not read their speeches.

The Acting Chairman (Mr. Jutras): I think that point of order has been ruled upon on previous occasions, and very wide latitude has previously been given in this debate. At any rate, the hon. member is referring to notes, and that is quite permissible at any stage of the proceedings of the house.

Mr. Henry: I can quite well understand the restiveness of my socialist friends, who are linked so closely to the policy of the communist party in this matter before the house. Mr. Chairman, you were quite correct; I am referring to several notes, referring closely to my notes, as you have said. That is why I now wish to refer to the Toronto *Star Weekly* which contains an article by Robert Taylor, a very distinguished journalist in the press gallery of this house. There he has stated for all Canadians to read that there is invested in Canada $13 billion of foreign capital, which has produced, according to his investigations in this field, one million jobs for Canadians.

In this natural gas pipe line, we have a very conservative estimate, I would say, of a $1 billion investment, which should produce 75,000 jobs for Canadians. We all know that the seaway represents a similar investment of about $1 billion, and that means another 75,000 jobs. That makes a total of 150,000 jobs for Canadians. I say to my socialist friends opposite that we have heard from them that they wanted a program of works not on the shelf but off the shelf, and here we have 150,000 jobs, a program of capital investment for Canadians off the shelf, and they do not like it. What can we think of them on that account?

A Liberal estimate of the cost of the pipe line would be $1 billion, but we all know that there is a multiplier effect attached to such an investment. If it were two dollars for every one dollar in direct capital investment, I think I would be satisfied because one distinguished Dutch economist, Van der Valk, says that in connection with developments of this kind the multiplier effect of the original investment may well be in places $9 for $1. I take it at least on a basis of two for one because I am a Liberal and because I have faith in Canada. There is $1 billion in the direct investment and, let us say, $2 billion in the indirect position, making a total of $3 billion. I confidently expect that it will produce no less than a quarter of a million jobs for Canadians.

We hear talk in this chamber about unemployment and relief and that sort of thing. They ask from the socialist quarter what are we doing for Canadians to provide job security. I say this is the greatest measure in the history of Canada from the standpoint of job security. I say that to my socialist friends tonight, and I ask them how they like it.

Freedom is a many-sided concept. We have to consider our position and the fact that we are within NATO and within the commonwealth. We have to consider freedom at home and job security for Canadians.

Some reference has been made in this chamber to the fathers of confederation. I trust they are looking at us from some place other than here, because it has not been very pleasant to be here at moments I have experienced in this debate, but I venture to say that they are looking down here on the father of the North Atlantic pact and his distinguished Minister of Trade and Commerce, and that they wish they were back with us on the government side of the House of Commons.

Mr. Jones: We are asked tonight to approve an extraordinary policy of the government to provide 90 per cent of the capital for a private company. What I would like to know from the minister or one of the members of the cabinet is this. What is the policy of the government toward private enterprise in general; or have we a new policy for certain types of private enterprise, in this case a United States controlled company; or have we a policy?

I feel that under the present financial policy of the government we are encouraging everybody but our own people. On the one hand we are encouraging Americans to come to this country and control our natural resources and our industries, while on the other hand our own Canadian companies are being starved for funds and discouraged. Yesterday I received a telegram from a small but very progressive firm in my riding, most of whose dealings recently have been with the United States. They have been shipping heavy equipment which is selling well in the United States, but because of the financial policy of the government I received this telegram yesterday:

> Present bank credit restrictions forcing us and many other firms to brink of bankruptcy . . . Bank of Canada cash reserves requirement forcing us to restrict operations far below last year's. Last year 80 per cent our production exported mainly to United States. Serious complications will result if bank restrictions not eased immediately.

This is what I suggest. If we can be so extraordinarily generous with a United States firm as to advance 90 per cent of the required capital, surely we can ease the restrictions to make it possible for our own factories and concerns to function properly and export at a reasonable rate. I am amazed at the frantic haste displayed to get this bill through, and I have often asked why. This gas has been stored for millions of years under the ground and nobody knew about it. It was only found a few years ago, and now we have found it we are in a terrible haste to get rid of it.

What are we going to do with it? Burn it? I presume that the first thing we think about is burning it, and I often think that to burn a valuable commodity like gas is a repetition of what happened when this country was first opened up, when the farmers and settlers went ruthlessly through the forests, cut down wonderful black walnut and other hardwoods to make stake fences and pile up as wood for use in the stove. We are doing the same thing today with a priceless heritage. We are preparing to get it to the furnace as quickly as possible.

But by burning it do we get the best value? I should like to quote from the seventh report of the natural resources conference, page 266, where I find the following with respect to the petrochemical industry:

> The most fascinating aspect of natural gas is not in its use as fuel but as the base for a petrochemical industry. The list of useful products manufactured from methane gas CH4 which comprises 95 per cent of natural gas is long.
>
> However, a few examples will excite the imagination and indicate the rich potential. From one million cubic feet of natural gas can be produced 20 tons of ammonia, enough to fertilize 500 acres; 80 tons of nitric acid, this will produce 200,000 pounds of dynamite; thirty thousand gallons of carbon tetrachloride, enough to fill 120,000 standard hand fire extinguishers; 7,500 gallons of ethyl-grani-alcohol, sufficient to make 85,000 26 ounce 70 proof gin.
>
> One million cubic feet of natural gas would make approximately 16,000 pounds of acrylic fibres, known under the names of orlon, dynel, acrilon, etc.

This suggests to me, Mr. Chairman, that we should pause to think if our present policy is right. We should pause to think if this natural resource belongs merely to our generation and should be dissipated and exhausted in this one generation alone, or whether we have a responsibility to conserve some of it for future generations. I claim we have that responsibility. But in our frantic haste to convert this gas to dollars we overlook the greatest value possible from that commodity. This is an asset that will not replenish itself. You cannot sow seeds to grow gas in the same way that you can sow seeds to grow wheat and other commodities. Once it is gone it is gone forever, and we seem to be determined to use this stored gas at once.

If that is our policy, let us make sure that Canadians get the full benefit of it first. Instead, we are preparing to create a monopoly for merely a 10 per cent investment. What a splendid gift to someone. I believe that if the government had announced its policy a year ago, two years ago or even five years ago, when they were still searching for someone to build the line, and had said they were willing to finance the proposed line up to 90 per cent of its cost, there would have been thousands of Canadians willing and qualified to carry out the project. We would not have had to wait this long. I believe it is not yet too late to remedy the evil we are about to perpetrate on unborn generations.

I understand that the present deal will be called off if it is not completed by June 7. Why not call it off? Trans-Canada Pipe Lines has not proved itself a very reliable company up to date, and may not prove itself reliable when it tries to complete the building of the line.

I should like to deal briefly with some of the objections that have been raised against government ownership of the pipe line, as I personally believe that a combination of the federal government, the provincial governments and municipal governments would be the logical body to operate a utility of this nature. The gas itself is a natural inheritance of all the Canadian people, not the people of one province but of all Canada, and should be used for their greatest benefit and not exploited for profit.

I know that one of the difficulties mentioned earlier in the debate was the inability to get pipe, but according to recent articles in the press that has apparently been overcome. Now you can get all the pipe you want. However, it was suggested that Trans-Canada Pipe Lines had access to sufficient pipe to complete the project. I venture to say that the most anxious company or group of people during this debate are the people involved in the company that owns the 34-inch pipe and has it stored, if they have it. They have far more money invested in stored pipe than Trans-Canada intends to invest in this project at the present time. They have millions of dollars tied up in stored pipe. It is not a paying proposition. It does not earn interest and it costs money to store. Therefore I feel sure that anyone willing to pay the price could get the pipe.

I do not know of another market that could use nearly 2,000 miles of 34-inch pipe. No such project is proposed anywhere else in the world except in Canada and the company that has the pipe would be only too pleased to supply the pipe to the government, any other company or anyone at all who had the money to pay for it.

The government has challenged the opposition to show an alternative way to build the pipe line. We in the C.C.F. group naturally believe in and have proposed public ownership. The proposed pipe line is not a free enterprise proposition at all. Trans-Canada only has a 10 per cent investment in it. It is already a socialized concern. Ninety per cent of it belongs to the people of Canada and only 10 per cent will eventually belong to the pipe-line company. When the taxpayers of Canada are putting up 90 per cent they should have control of this utility, and I am suggesting that the logical thing to do is to put up the other 10 per cent and take over the pipe line completely, and then convey Canadian gas to Canadian consumers.

The history of gas pipe lines is a fine one from a financial point of view. I never heard of a single pipe-line company conveying gas that was in difficulties financially. They have all made handsome profits. There is always an abundance of money to go into that field when necessary. Of course if they can get someone to finance them, as our government is doing, they are going to go out and borrow cheap money.

I believe that these profits that can and will be made on this particular pipe line should accrue to the Canadian government and not help to make more American millionaires, or Canadian millionaires for that matter; they are both the same. These profits could be returned by selling cheaper gas and by giving better service to the people. The profits could be used either to improve that service or they could be turned over for education or for national health insurance.

Trans-Canada Pipe Lines Limited is naturally interested in the profits to be made. The government would be interested not only in the profits but more in the service that could be rendered to the people of Canada. While we talk glibly of free enterprise being in this field, I notice that they did not enter the field when the St. Lawrence seaway was proposed. That project stood in abeyance for 20 years, but I never once read of a single private enterprise group coming to the government and suggesting that they build it. Why? Because they were doubtful if any profits would be made on that particular seaway. However, they are sure in the case of the gas pipe line. They therefore leave the government to carry on the non-profit venture of the seaway.

I feel that there are certain services that are natural for public ownership such as gas, electricity, water and so on. I would point out that other services that we now enjoy in common were at one time under private ownership. They have been nationalized or, as you call it, socialized for so long that we have forgotten the origin of the institution or the concern; and they have been socialized so successfully that private capital has been withdrawn entirely.

I refer, for instance, to the carrying of mail. At one time mail was carried by private enterprise. We all know the story of the Wells Fargo company that used to carry mail from the Pacific coast to the Atlantic coast. It cost you two or three dollars for a letter. We had stage coaches in England carrying out the same function on a private basis, so

that only a few people were able to mail a letter because of the cost; the others could not afford it.

What happened? We socialized that service. That was all we did; we socialized it. The people own it and control it. The cost was brought down so that all people have access to it at very low cost. That is an instance of the socialization of a former private enterprise that we would never allow to go back to those hands again.

Another instance is highways. It is only a little over 100 years ago since most of the highways and bridges were toll highways and bridges. If you had not the money, you could not go very far from home. You had to have threepence or sixpence to pay for going over a stretch of road through some squire's domain or maybe across a bridge. But what happened? The thing was so silly—the people were not getting the best use of the roads because they were privately owned—that the government stepped in and socialized them.

The roads of Canada have always been socialized. We have therefore not had that problem. We have become so accustomed to the socialization of roads that we would never hand the roads and bridges back to private enterprise again; we are happy with the socialized state of the roads and bridges.

There are several other things that I could mention, but I see that my time is coming to a close. One is education. I well remember my grandmother telling me that in the village in which she lived education was all private. There were no public schools. You had to have your threepence or your sixpence a week or you could not get an education. All the schools were privately owned. There are still some that are privately owned, namely the profitable ones. The non-profitable ones went out of business very quickly, because the government of England at the time socialized education and made it available to all the people. We all appreciate it, now that it is socialized, and we would not go back to private enterprise or turn all the schools back to private enterprise. We know it functions to the benefit of all the people, so we keep to socialism. In the same way we have libraries that were private libraries.

We even had private armies in England. Various barons had their private armies and sometimes they grouped together to make a bigger army. Nevertheless they were still private armies paid by the baron or the lord of the manor, whatever the case might be. Eventually the stupidity of the situation struck the people and they socialized the army. Now it belongs to and protects the people as a whole. Those are some of the things that fall into the natural category of socialism. I think the gas pipe line is in exactly the same category and should be socialized and financed by the federal, provincial and municipal governments in order to give the best service to the people of Canada as a whole.

Mr. Carrick: Mr. Chairman, I had the honour of speaking in this debate on second reading. At that time I confined myself entirely to a discussion of the merits of this project. Tonight I should like to speak on the issue of closure, because this debate has been converted into one on the question of closure and the propriety of the government applying closure.

Before I came to this house I thought members generally confined themselves to the issue. In my opinion the issue in this case is the wisdom of building the trans-Canada gas pipe line. One is not here very long before he finds out that issues are created for different purposes entirely, not having to do with the real problem before parliament but designed to attract votes. That is exactly what has happened. In this case there has been a probably unparalleled attempt centred on the question of closure. The opposition parties, the official Conservative opposition and the C.C.F., have described the closure issue as dictatorial conduct, totalitarianism, the gag and other extravagant epithets of that kind.

An hon. Member: Hear, hear.

Mr. Carrick: My hon. friend says, "hear, hear".

Mr. Knowles: Where did we find those adjectives? Where did we get them? From Mackenzie King.

Mr. Carrick: I should like to have an opportunity to put my views before the committee. My friend has taken the time of this committee on a number of occasions in order to speak, and I do not ever remember interrupting him. I would expect him to extend the same courtesy to other members of this house.

I should like to put before you, Mr. Chairman, because I think it has not been made clear, what is the government's position with regard to closure. The real facts came out on Wednesday, when the Prime Minister made an offer to the Leader of the Opposition and the leader of the C.C.F. party. He proposed to them that the house should sit on Wednesday night, something which it does not ordinarily do, and that the house should sit on Saturday if they wanted to have additional time to debate this issue. That offer was flatly refused, and in the course of the discussion the leader of the C.C.F. party, the

hon. member for Rosetown-Biggar, rose in his place and uttered words to this effect, "Feeling as I do about this legislation and having hostility to it, I am justified in using any means within the rules to block the legislation".

I put that to you again, Mr. Chairman. He said in effect, "We are justified in using any means within the rules to block the legislation". I want to put this question to you because I think it is fundamental to this issue. If it is fair for the opposition to use any means within the rules to block the legislation, is it not equally fair for the government to use any means within the rules to put the legislation through? I put it in another way. If it is proper for the opposition to use every means within the rules to block the legislation, can it be improper for the government to use every means within the rules to put the legislation through? I think it is fundamental that, in point of fairness, if it is open to the opposition to use the rules to block the legislation, it must be open to the government to use them to put the legislation through. If the public of Canada know the attitude that has been taken by the opposition on this matter they will realize the fairness of what I say.

Mr. Dinsdale: When did we debate clause 1?

Mr. Carrick: Did I not explain that to you? If you do not mind, I did not interrupt you. Now you have made closure the issue in this election. You should give me the opportunity to answer you.

Mr. Dinsdale: There is no election yet.

Mr. Carrick: It is a fairly shabby trick. I was saying, Mr. Chairman, that people who understand the situation know that these rules are designed to give the minority, as well as the majority, the opportunity to debate issues; but the rules are also designed so that a minority cannot obstruct legislation and prevent the government from putting legislation through. That is exactly why the closure provision is in the rules.

There has been some misunderstanding on the part of the public as to exactly what closure is. If they knew there were four stages of a bill their views might be different. If they knew that there is a debate on the resolution stage, there is a debate on first reading—

Mr. Knowles: Second reading.

Mr. Carrick: On second reading; thank you. There is a debate when the matter is referred to the committee of the whole house and a debate on third reading. Closure may be applied on any of those four occasions, but ordinarily debate is allowed on all four.

What happened in this case? The question is, have the opposition had a fair opportunity to debate these issues? Let me take you through the dates. We will start with the week of May 14; I shall skip the two or three days that preceded that, when there were blocking resolutions put through designed to prevent this matter from coming before the house. I shall start with the 14th, when the resolution was introduced by the Minister of Trade and Commerce. We had four days during that week when the whole issue could have been debated. In the week beginning May 21 we had five days; in the week beginning May 28 we had five days. Thus we had 14 days, beginning with May 14, when this bill could have been debated. We will probably have two or three more days after this week, which will make a total of close to 20 or 21 days.

I tried to make an estimate as fairly as I could of the amount of time that was spent during those first two weeks, the nine days. I went through *Hansard* and I eliminated the time taken on questions on the orders of the day and all that sort of thing, and I found to my own satisfaction that approximately 50 hours of time were allotted in this house in the first nine days. Of that 50 hours, 18 hours were taken up with what I call blocking resolutions. The time of the house was taken up on matters in which there was no opportunity for anyone to discuss the merits of the pipe-line bill. There were 32 hours during that time when there was an opportunity to debate the pipe-line bill.

Probably it requires some explanation of why I say there were 32 hours to debate the pipe-line bill. I want to take you back to what has happened in this house. This issue has been converted into an issue of closure, and the pipe line aspect has taken a subsidiary position. That is not accidental. As a result of that, a large part of the 32 hours was devoted to discussing not the pipe line but the closure aspect of this procedure.

An hon. Member: Whose fault was that?

Some hon. Members: Yours.

The Acting Chairman (Mr. Brown, Essex West): Order.

Mr. Dinsdale: Who invoked closure?

Mr. Carrick: If the opposition had been in any way desirous of debating this bill, is it reasonable to suppose that they would not have accepted the offer of the Prime Minister? The Prime Minister said that if you would sit Wednesday night and Saturday as long as you wished, if you wanted that much more time to debate the bill, you could have it.

Mr. Nowlan: Was he not generous?

Mr. Carrick: May I submit to you, Mr. Chairman, what is the situation in connection with this debate? We calculate that 20 or 21 days could have been devoted to this issue. Will the hon. member for Winnipeg North Centre deny that in the rules last year we adopted a form of closure when we assigned 10 days to the important speech from the throne debate? Ten days are all that are considered necessary for that. Will he deny that last year we adopted a closure vote of eight days on the budget debate? Eight days are considered sufficient for that. Can my friends sitting over there seriously try to tell us that 21 days are not enough to debate an important issue of this kind?

Many things happened in this house that I wish the public could have seen, because I am a great believer in giving the public the facts and I feel that when the public know the facts they will arrive at the right decision. I wish they could have seen what happened when hon. gentlemen opposite imposed a vote upon this house. Remember, on every occasion the whip would walk out and would take not five minutes or three minutes, but 10 minutes, the maximum time, every time.

An hon. Member: Seventeen minutes.

Mr. Carrick: Ten minutes to call in the members and 17 minutes, 18 minutes and 20 minutes every time the vote was taken, and all that time we were here waiting for the members to be brought in. The public should know that in this House of Commons the practice is that when all the members are in the house and a vote is taken, and very frequently another vote has to be taken, the Speaker says: "Shall we consider that the members are in the house?" What do they say? Generally, they say "Yes", but in this debate what did they say?

Mr. McCullough (Moose Mountain): Will the hon. member permit a question?

Some hon. Members: Sit down.

Mr. Nowlan: There is closure; you cannot ask questions.

Mr. Carrick: What is the question? We have had nothing but dilatory proceedings. I tell you, Mr. Chairman, that if the public of Canada could have been watching what the Conservatives and C.C.F. opposition were doing in this house they would have been ashamed of them.

An hon. Member: You had 21 days.

Mr. Carrick: You asked me what the opposition should have done? I shall tell you what they should have done. They should have recognized that the majority in this house have the right to rule this house, and closure is a—

Some hon. Members: Oh, oh.

Mr. Carrick: They shake their heads. The other night the hon. member for St. Lawrence-St. George quoted Magna Carta and section 49 of the British North America Act, which says that our constitution is founded upon the rule of the majority in this house. It is fundamental that the majority have the right to vote, and indeed the majority rule within the meaning of the constitution. We have closure today, and they should have recognized it. What they should have done is this. They should have recognized the right of the government to apply closure, and that they were going to have every opportunity to debate the merits of the pipe-line loan within the closure limits. Surely that is not an unreasonable request to make of hon. gentlemen opposite if they desired to debate the bill. When they were given that opportunity why did they not take it, instead of wasting time?

An hon. Member: Talk about the pipe line.

Mr. Carrick: Yes, I will tell you something about the pipe-line right now. I am going to tell you the reason you do not want to debate the pipe-line issue, and that you know you are in a hopeless position.

Mr. Nowlan: Speak to the Chair.

Mr. Carrick: I will tell you why, Mr. Chairman.

Mr. Knowles: Are you in a hopeless position, Mr. Chairman?

Mr. Carrick: I will tell you why the Leader of the Opposition gave up on this pipe-line issue. A while ago the treasurer of Ontario came out and said that time was of the essence, the pipe line had to be built. At that time the premier of Ontario, the Conservative leader in Ontario, came out and said the pipe line had to be built.

Where did that leave the Leader of the Opposition in this house? He had hoped to have an election issue. As a result of what happened he knew that he had nothing on the pipe line; he knew that his position was hopeless. He is a very astute gentleman. He has been in politics a long time. If he cannot get where he wants to get in one way he can make a turn and get there another way, and there is no one quite so fast on footwork in the ring as the Leader of the Opposition.

What happened? Extravagant claims were built up. The supremacy of parliament was suppressed. The hon. member for Rosetown-Biggar spoke of abomination, outrage, and all that kind of political claptrap that they have tried on the people of the country in

the last few elections and they have always been rejected. Now they are building up this closure issue.

Mr. Chairman, some people may think that what has happened was not premeditated. I tell you that this has been one of the greatest hoaxes ever perpetrated on the Canadian people, and I shall tell you why. I am not going to dwell upon it because it is a shameful incident. It is the destruction of a man who might have been the leader of the Conservative party, and they have left their mark upon him. They perpetrated this hoax upon the country. I am not going to go further than that. A man who up to this time was respected in the country, refused to obey the rules of the house and take his seat when the Speaker called upon him to do so.

Mr. Bell: The government has gone just about as far as it can go.

Mr. Carrick: The Speaker requested him to sit down and he refused to sit down. I say he is a sacrifice for the ambitions of somebody else and I am sorry it happened to him—

An hon. Member: Look after yourself.

Mr. Carrick: The Leader of the Opposition knows very well what has happened. He is a very experienced lawyer. Let me tell you what happens in court. Counsel sometimes are representing an accused and know they have a hopeless case. What do they do? They know if they can impress the jury that the judge is siding with the crown representative they increase their chances of an acquittal.

An hon. Member: They will never get you.

Mr. Carrick: The Leader of the Opposition knows he has a hopeless case.

An hon. Member: What have you?

Mr. Carrick: He has challenged the authority of the Speaker and the Deputy Speaker, and somebody has indicated tonight they are going to do the same thing with the committee chairman. I tell you, Mr. Chairman, this kind of thing should not be tolerated.

Some hon. Members: Hear, hear.

Mr. Carrick: One of the leading members of that group has been suspended from the house. One wonders where this will end. We are on the road to anarchy. They are the ones who are destroying democracy in this country. That is where it will end.

An hon. Member: You said it.

Mr. Carrick: I have a moment in which to tell you why this is important to the C.C.F. and the Conservative parties. They know if this pipe line is built they are through in the next election, and I will tell you why. If the western section of the pipe line is built and the loan is repaid to the Canadian government, it will mean they are finished in the next election. They sit there and know it like we do.

Suppose the loan is not repaid. The federal government is in a position to take the line over for 90 per cent of the cost, as the C.C.F. are demanding we take it over now. Where would that leave the C.C.F. in an election? Where would it leave the Conservatives in an election? That is why there is such a desperate effort to block this legislation. They know their fate in the next election is hanging on this very matter, and that is why there is such a desperate effort to block this legislation.

The sordid party purposes which lie behind the efforts of the opposition will be best described in the scathing words of Sir Francis Bacon who said about a similar group of men: "They care not what happens to the ship of state so long as they save the cockboat of their own fortunes."

Mr. McCullough (Moose Mountain): You scuttled the ship.

Mr. Monteith: Mr. Chairman, we have just heard quite an oration from the hon. member for Trinity.

An hon. Member: An oration is right.

Mr. Monteith: I was watching the clock and the hon. member spent exactly 14 minutes speaking on closure and on other subjects that are entirely out of order, and eventually he finished up by spending one or two minutes on the pipe line.

He intimated, Mr. Chairman, that the Prime Minister as of last Wednesday offered us an opportunity of speaking all Wednesday evening and all day Saturday, and he asked us why we did not take it. You know very well, sir. The Prime Minister said that in one breath and in the next breath he gave notice of closure in the committee stage. As the Leader of the Opposition mentioned following that, what was that other than a nice, keen sharp axe with a velvet cover over it? That is all it could possibly be. How long are we going to have to put up with that sort of thing?

Mr. Hosking: We have put up with it for 21 days.

Mr. Monteith: When I first came here, Mr. Chairman, I considered it a great honour to be elected by the citizens of Perth county to represent them in the House of Commons.

An hon. Member: Don't you now?

Mr. Monteith: I considered it a great privilege to be here in this twenty-second parliament of Canada. What do we see today? A

shambles caused by government rulings. I just hope these rulings that have been given today are not used as precedents as time goes on. What could be worse than a House of Commons like this? Any opposition party would have three strikes against them to begin with, let alone two.

I have made many friends here in all parties and I hope to retain those friends, but I must say I have been greatly disturbed by the subservient bowing of whatever Liberal friends I may have had to the will of this government, as exemplified by what has happened here in the last few days and particularly today. I would like to pass on an admonition to the government, Mr. Chairman, in the words of Angelo—

An hon. Member: Michael?

Mr. Monteith: —in Shakespeare's "Measure for Measure": "O, it is excellent to have a giant's strength, but it is tyrannous to use it like a giant."

In the short time I have been in the house I have found that the committee stage was a sort of round table conference, or at least I have always thought of it in that way. I considered it a period in which one asked questions and one had a right to have them answered. What have we found in these past few days? We have not had that opportunity at all.

Mr. Hosking: You have not taken it.

Mr. Rowe: You did not give it to us.

Mr. Monteith: We have not had an opportunity of asking questions. Let me tell you, Wellington South, that you could stand to have a few questions answered too. The hon. member for Peel the other night asked a great many questions. Has he had any answered?

Mr. Hosking: He also told the minister he could get 34-inch pipe within 14 miles of his riding, which is not true.

Mr. Monteith: Look, Wellington South, you could do a lot better than you have in this debate, too.

Mr. Rowe: Get up and make your speech.

Mr. Monteith: The hon. member for St. Paul's brought up an important item the other night. The Minister of Trade and Commerce was pleased to get to his feet and say he would look into it because if it existed as suggested it would be illegal. Are there not many other things which may be in the same boat? It is very reasonable to suppose so.

When any bill comes before this house we have an opportunity of sitting down and discussing it, much like the situation which I experienced when I sat on the municipal council. You sit around the table. In committee you discuss things, you thresh them out and you get to know what it is all about, despite the fact that you may not be the chairman of the committee or a member of the committee. You have an opportunity to find out what it is all about before you finally vote. We have not had that opportunity at all.

Mr. Hosking: You would not take it.

Mr. Rowe: What are you talking about? The government announced closure.

Mr. Monteith: Mr. Chairman, this is probably the most important bill that has come before this parliament in a great many years. I would like to have one question answered. On page 4428 of *Hansard* for Tuesday, May 29, the Minister of Trade and Commerce tabled some figures concerning the selling price of gas. I am going to use the 100 per cent load factor figures as set out on this page.

This table indicates that gas is to sell in Saskatchewan at 21·3 cents per thousand cubic feet; in Manitoba, at 26 cents. That is a difference of 4·7 cents. I am assuming that the difference arises because this is the delivery cost. That may be all right, and I have nothing to say about that at the moment and I will go on.

From Manitoba to western Ontario, up in the Nipigon district, it is now increased to 34·5 cents, an increase between Manitoba and the Nipigon district of 8·5 cents which is the delivery cost. Then we go on down the line until we come to the Cobalt-Whitby district, which I suppose is the line from Cobalt to Whitby. There it is to sell for 44·5 cents. The net difference between the selling price in Saskatchewan and in the Cobalt-Whitby district is 23·2 cents. I should like to read an item which appeared in *Canadian Business* of March, 1956, by H. G. Cochrane, who had this to say:

> An interesting sidelight to the Westcoast-Pacific Northwest-El Paso deal is found in the economics of the plan. Pacific Northwest will buy Canadian gas at 22 cents per thousand c.f., at the border, will sell an equal volume down south in the San Juan area for 25 cents. Thus, in effect, gas will be transported some 1,500 miles down the continent at a cost of only 3 cents per thousand.

It is not logical on the face of it, and there may be an answer. If there is an answer I certainly think we should have it. I think we should be given the opportunity to ask for an explanation, and we have not had that opportunity.

Mr. Howe (Port Arthur): Would you like that explanation now?

Mr. Monteith: Yes.

Mr. Howe (Port Arthur): The San Juan basin—

Mr. Monteith: Will I be permitted to get up again?

The Acting Chairman (Mr. Brown, Essex West): If there is consent.

Mr. Monteith: I understand I would not have consent to speak again once I have resumed my seat.

The Acting Chairman (Mr. Brown, Essex West): If the hon. member prefers to proceed he may do so.

Mr. Monteith: There are a few things in the bill which I think could stand some explanation. I do not know whether we can discuss clause 3, but I think we have been wandering far afield and it may not do any harm.

The Acting Chairman (Mr. Brown, Essex West): We are now dealing with clause 4.

Mr. Monteith: I think we have been dealing with everything tonight. I believe I have been closer to clause 4 than most speakers this evening. Clause 4 reads:

(1) The corporation is a body corporate having capacity to contract and to sue and be sued in the name of the corporation.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the corporation, whether in its name or in the name of Her Majesty, may be brought or taken by or against the corporation, in the name of the corporation, in any court that would have jurisdiction if the corporation were not an agent of Her Majesty.

That is perfectly all right, and possibly some legal brain devised it. I am not a legal man, but I would like to have answers to some questions. Ordinarily in committee we are allowed to ask questions. Section 5 (2) reads:

The corporation shall not enter into a lease of the northern Ontario section with Trans-Canada unless it is approved by the governor in council and unless it provides for rentals during the period of the lease and for a purchase price that, in his opinion, are designed to recover not less than the cost of the northern Ontario section and interest thereon at a reasonable rate.

Does the government expect there will be a higher interest rate? It says "not less than". Is it to be that interest rate, or might it be higher? We have the right to know. We should have the opportunity to ask these questions and get answers. Subsection 3 reads:

(3) Subject to this act, the corporation may do such things as are expedient for or conducive or incidental to the attainment of the purposes set forth in subsection (1) and, without limiting the generality of the foregoing, the corporation may, for the purposes of this act, buy, sell, lease, contract, acquire, hold and dispose of real and personal property of every description and expend or administer all moneys received by it from loans to it, rentals, disposition of its property or otherwise.

I suppose that refers to the building of the northern Ontario section. I would just like to ask some reasonable questions in the committee stage. Section 6 (2) reads:

(2) The Minister of Finance, at the request of the corporation and with the approval of the governor in council, may from time to time out of the consolidated revenue fund lend money to the corporation on such terms and conditions as the governor in council approves, but such loans to the corporation shall bear interest at a rate that is not less than three and one-quarter per cent per annum.

Might it be higher? How much higher might it be? What is the procedure? What is the method of setting the interest rate? It says "not less than three and one-quarter per cent". Might it be more than that? Under what conditions might it be more? Then we come to part II, which is an important part of the bill. Section 7 (1) states that the loan is to be 90 per cent of the cost, with a maximum of $80 million. Let me go on down to subsection 2 which reads:

(2) If, with respect to the construction of the western section, the repayment of the loans or otherwise, Trans-Canada is in default under the loan agreement or any security given pursuant thereto, the corporation may, upon giving notice to Trans-Canada, of such default,

(a) take immediate possession and control of any or all assets, rights and undertakings of Trans-Canada and conduct the business and operations of Trans-Canada with respect to such assets, rights and undertakings.

What rights, undertakings, assets and all the rest of it are there expected to be? Maybe they do not know exactly, but what do they expect? We have a right to ask that question and we have a right to receive a reasonable answer. Paragraph (b) reads:

(b) declare that any or all of the assets, rights and undertakings of Trans-Canada be vested in Her Majesty, and thereupon all right, title and interest of Trans-Canada to or in respect of such assets, rights and undertakings, shall be vested in Her Majesty and Trans-Canada shall cease to have any right, title or interest to or in respect of any such assets, rights or undertakings.

Paragraph (e) reads:

(e) pursuant to any agreement in that behalf made, with the approval of the governor in council, before or after the coming into force of this act, between Her Majesty and Trans-Canada and any shareholder of Trans-Canada and any holder of an option to purchase shares of Trans-Canada, acquire shares of the capital stock of Trans-Canada.

Are they going to go out and buy shares? They have $130 million and perhaps will loan only $80 million; are they going to use the remainder temporarily until they get into the construction of the northern Ontario bridge to buy shares? What do they intend to do? This gives them power to do that. Have

they any intention of doing it? We have a right to ask for that information and we have a right to get an answer. Subsection 5 reads:

(5) The aggregate, outstanding at any time, of the amounts advanced by the Minister of Finance to the corporation under this section together with the loans made by the Minister of Finance to the corporation under section 6 shall not exceed one hundred and thirty million dollars.

I am not too familiar with this as I have not had a chance to ask sufficient questions and get answers, but it has been my impression that the provincial government was going to put up $35 million. I do not know whether that is part of the $130 million, and I would like to get some further details on that. I have other questions to ask. Why not give us a reasonable time to consider this bill in committee?

We have many more questions. I have another one as to the urgency of this. We have been waiting for five years without one step being taken. On last March 15 the first resolution appeared on the order paper; the first day of debate. It never appeared again. Finally, some months later, we got into the second resolution, which by the way incorporated an entirely different proposition from the first one. Just as a common sense question, why this company and no other? I am not saying there is any other that can do it, but I should like to be told why this company only? Why 90 per cent of the loan to Trans-Canada to build the west coast section? Why not 80 per cent? Why not 100 per cent? We have a right to ask those questions. Why next March 31 as the deadline? Why not February 28 or April 30? We should have some answers to these questions.

Why has not the whole cabinet known what is going on, instead of only the Minister of Trade and Commerce? Can Trans-Canada get another mortgage if the crown corporation permits it? I think it can, as I read the bill. We are entitled to know if it can, and under what conditions it can, why it might need it and that sort of thing. What proportion of membership on the board of directors in this crown corporation will be appointed by the Dominion of Canada and by the province of Ontario? I do not know, and I do not think anybody else does. I think we are entitled to know.

I should like to say one word about that hatchet man from Charlotte. He reminded me very much of the daring young man on the flying trapeze. He skipped all over the lot, but mentioned not a thing about the pipe line. He was talking about wheat, the B.N.A. Act, Canadian early history, and in fact everything, including a dastardly attack on the hon. member for Eglinton.

Very briefly, the evidence of 1951 when Trans-Canada was set up indicated that this was to be an all-Canadian route. It was to be an all-Canadian project. It was to the effect that adequate markets in eastern Canada would consume all the gas that could be produced and moved through the line. That evidence was given. Engineering presented no great difficulty whatsoever. Finance, independent of government assistance, was no trouble at all. That evidence was given by Mr. Shultz on pages 9 and 10 of the proceedings of the committee on railways, canals and telegraph lines in that year. In 1954 evidence to the same effect was given in the committee, at pages 45 and 46.

The Acting Chairman (Mr. Brown, Essex West): I regret to inform the hon. member that his time has expired.

Mr. Michener: I wonder if the minister would permit a question?

The Acting Chairman (Mr. Brown, Essex West): Order. The minister has not been making a speech.

Mr. Hanna: In spite of the heat that has been generated in this house during the past few days, the fact still remains that Ontario needs Alberta's natural gas. The province of Manitoba badly needs Alberta's natural gas, and there is every indication that before very long Alberta's natural gas will be needed for the fast-expanding industries of the province of Quebec.

It has been established in the debate so far that there is available for immediate export a very large quantity of the world's cheapest and most usable fuel in the province of Alberta. It has also been established, I believe beyond question, that the absence of an export market for Alberta's surplus gas is very seriously hampering the development of oil and gas in that province. I am convinced that what hampers the development of the great province of Alberta also hampers the development of Canada as a whole.

I would like to congratulate the opposition for finally permitting this house to get down to discussion of the pipe-line bill. This bill has been before this house now for three weeks, and I can say that one of the biggest tasks of the government has been trying to get the opposition into a corner so the terms of the bill could be discussed. In this connection I should like to quote briefly from an editorial that appeared in the Edmonton *Journal* of May 25, a week ago today. It says:

No doubt this is legitimate parliamentary tactics for an opposition determined to block the passage of a measure. It is equally legitimate, however, for a government to counter by invoking the closure rule so as to bring the issue to a vote. That is what the closure is for.

Northern Ontario Pipe Line Corporation

The charge of stifling the debate seems singularly inappropriate. Parliament has been discussing the trans-Canada pipe line, with little intermission, since May 9. In that space of more than two weeks—

May I interject that it is now three weeks.

—Mr. Drew, Mr. Diefenbaker, Mr. Coldwell, Mr. Knowles and many other opposition spokesmen have spoken repeatedly against it, and the house has seen some of the liveliest exchanges in its recent history. The arguments against the project have been fully presented. Since this is an undertaking in which "time is of the essence," the point has surely been reached for parliament to decide for or against it.

This great project, in my view, is just as much in the national interest as it is in the interest of the province of Alberta which I have the honour to represent in this house.

I should like to commend the hon. member for Calgary South for the stand he has taken on this issue. We have been told that he is an expert in the gas and oil business, but there is always a chance that an expert might be wrong. Therefore it was most interesting to have the information given in the house this evening that the Progressive Conservative executive of Calgary South supports the member for Calgary South 100 per cent on this issue. I think that is a tribute to him and to his courageous attitude, and a tribute also to this Liberal government from the Progressive Conservative executive in Calgary South. One wonders where the member for Calgary North really stands on this issue. I should like to know what his executive committee is thinking about the stand he has taken.

I come from an area which has experienced the benefits of natural gas for well over 30 years. I was glad when my colleague the Minister of Mines and Technical Surveys, who also represents an Edmonton constituency, placed on the record a few days ago some of the history of natural gas and oil development in the province of Alberta. This unequalled source of energy has long been recognized as the trump card in Alberta's truly remarkable store of national resources. Following the discovery in the past 10 years of truly amazing amounts of natural gas, the growth of industry in the province of Alberta, and particularly in the city of Edmonton, has amazed even the experts. But at the moment the growth of further new industries in our province, particularly petrochemical industries, is being stunted and hampered by Alberta's inability to export its surplus gas. Industry in Alberta has been doing its best to get along with various conservation measures, but in spite of their best efforts we have been told here that hundreds of millions of cubic feet of natural gas are being wasted daily. I submit, Mr. Chairman, that in the interests of Canada as a whole this waste must be stopped at the earliest possible moment.

In the constituency of Edmonton-Strathcona hundreds of millions of dollars have been invested within the past 10 years as a result of gas and oil discoveries, and most of that industry has been established with the assistance of United States capital which, by the way, the members of the opposition profess to scorn. I should like to read a very brief quotation from an official booklet put out by the city of Edmonton. It says in part:

The $60 million petrochemical colossus of the Canadian Chemical Company, a subsidiary of the Celanese Corporation of America, is in operation on Edmonton's eastern outskirts. It is one of the few plants of its kind in the world, producing many new chemical products never before manufactured in Canada. "Waste" petroleum gases are one of its basic material requirements . . . Wood pulp, the other basic material, comes from the Prince Rupert plant of an associated company.

I should like to comment that this is only one of several petrochemical plants in the city of Edmonton, and I think I should add for the benefit of the opposition that the taxes that are paid by these petrochemical industries, which are largely American owned, have made the municipal district of Strathcona one of the richest municipalities in Canada in the past five years. I wish the members of the opposition could go out to Edmonton and see what outside capital has done and is doing there.

An hon. Member: And in Calgary.

Mr. Hanna: And in Calgary; and what is good for Calgary and Edmonton is good for the other cities of Canada. I wonder whether our Tory friends think the good Canadians of Edmonton or Calgary would vote against a proposal to exclude foreign investment. I certainly believe they would not, and I would feel very sorry for the politician who would go out there in the next election and suggest it.

The growing industrialization of the province of Alberta is one of the highlights of Canadian development today. This industrialization is good for all Canada, particularly for western Canada which has had practically no industry until the recent discoveries of vast quantities of gas and oil in Alberta. It amazes me to hear our C.C.F. friends from the provinces of Saskatchewan and Manitoba opposing what is good for western Canada. They profess to be the great champions of the west. Then why are they opposing so vigorously a development that can do nothing but good for their own provinces? I am particularly interested in what the members from the city of Winnipeg, who

are so vigorously opposing the bill, will tell their people by the time the next election rolls around and they have the benefit of natural gas.

A few days ago the Leader of the Opposition quoted the Calgary *Herald* as being opposed to Bill No. 298. I should like to quote an extract to him from another great American newspaper—

Some hon. Members: Oh, oh.

Mr. Hanna: Alberta newspaper.

Mr. Rea: You were right the first time.

Mr. Hanna: I refer to the Edmonton *Journal* of May 17.

Mr. Ellis: Soul-mates, at any rate.

Mr. Hanna: It has this to say:

> This open breach between the Progressive Conservatives and their own gas and oil expert is bound to weaken the opposition's case on the pipe line issue. It will strengthen the widespread suspicion that the Progressive Conservatives, and the C.C.F. too, are more concerned with playing on nationalism and latent anti-Americanism for political purposes than they are with the efficient utilization of Canada's natural gas resources. Indeed, amid all the din in Ottawa these days one can discern echoes of that old war cry of half a century ago: "No truck or trade with the Yankees!"

The gentlemen of the Kremlin are no doubt taking considerable warm comfort from the anti-American campaign that is being waged in this parliament by the members of the co-operative conservative federation sitting in the rows opposite.

An hon. Member: What about the Liberal-socreds?

Mr. Hanna: In my view these gentlemen are doing serious injury to Canada by their emotional anti-American campaign. They have challenged us to an election. I believe it is lucky for them that the Prime Minister announced a few days ago that there will be no election at the present time. If our Tory friends are realistic at all they must surely recognize that Canada is expanding under a Liberal government today at a much faster pace than Canadian capital is either able or willing to keep up with. Canadians are either unable or unwilling to supply the risk capital that our orderly development demands at the present time, and had it not been for the capital we have received from the United States in the past ten years we would not have enjoyed the spectacular development throughout Canada today of which we are all so rightly proud. Is there anyone here, I wonder, who would like to see less development in Canada just because a good deal of United States capital is involved?

Mr. Rea: Page 5.

Mr. Hanna: On the contrary, Mr. Chairman, I am sure that most Canadians realize that Canada has been enriched by the free admission, even the encouragement, of capital and private enterprise not only from the United States but from other countries. Such foreign capital has been very much to our advantage, just as the admission to Canada of skilled immigrants from various foreign countries has been to our advantage. Such people and the capital they have brought with them have contributed and are contributing immensely to our rapid industrialization. They have added strength and stability to our whole economy. Canada needs both more people and more money if our standard of living is to be kept continually on the upgrade, and I believe that the people of Canada have confidence in the government which has given us such a rapidly and steadily increasing standard of living.

A good deal of nonsense has been put on the record about Canadians having to pay more for gas that will come through the pipe line than will Americans on the other side of the border. Here again I am sorry to say that the opposition has resorted to distortion of the facts. They have confused what are generally called wholesale prices with retail or consumer prices.

Mr. Rea: Page 6.

Mr. Hanna: For example, they seek to prove that the gas export price at Emerson, Manitoba, is less than the price that will have to be paid by Winnipeg consumers. Purposely or otherwise they overlook the fact that once the Americans buy the gas at Emerson they have to pipe it hundreds of miles and then distribute it to the various consumers in different cities in the midwestern United States. The opposition simply either do not understand the facts of gas distribution or they are purposely trying to confuse the issue in the public mind.

As for Canadian consumers, Mr. Chairman, from the talk of the opposition you would think the people in eastern Canada were going to be compelled to buy gas that comes through this pipe line. Of course nothing of the kind will happen. This western gas that will come through the trans-Canada pipe line will have to be competitive in price with other fuels that are being used here in eastern Canada. No one will have to take it if he can find and is using a better and cheaper alternative. I go further than that, Mr. Chairman, and suggest that this additional competitive fuel from western Canada being introduced into the markets of Ontario and Quebec will have a very beneficial effect on the prices that consumers are obliged to pay for their present

supplies of coal and oil, because Trans-Canada Pipe Lines will certainly offer some competition.

I see that my time has almost expired, Mr. Chairman. A few minutes ago I noticed a headline in one of the Ottawa evening papers "Frost is possible on Sunny Week end". I believe that headline refers to the week end weather; but I should like to comment that I believe Premier Frost of Ontario will also have a sunny and cheerful week end because, in spite of the most strenuous opposition by the federal Ontario Tories and our friends of the C.C.F., Premier Frost and the people of Ontario are almost certain to get Alberta natural gas and get it as quickly as this government can bring it to them.

Mr. Castleden: Mr. Chairman, we are at clause 4 of an iniquitous bill which I can only describe as a disgrace to Canada. We had closure forced on this house when the resolution was brought in. In the very speech in which the minister introduced the resolution he announced that closure would take place the next day. That was something that had never occurred before in Canadian history. We had closure announced in this house on second reading. We had closure announced on clause 1, clause 2 and clause 3 of this bill. This house has had no opportunity to debate or discuss these clauses. We have now reached clause 4. This morning at one o'clock a vote will be taken on this bill without further discussion, one hour from now. Without a full opportunity for discussion, whether the opposition has anything to say or not, this bill is to go through. The Canadian parliament never saw anything like this before in the history of Canada, and pray God it never will again.

Mr. Johnston (Bow River): Discuss the bill.

Mr. Castleden: We shall be glad to do that. This bill is the most flagrant sell-out of Canadian interests that Canada ever saw. It is a selling out of our interests to United States oil kings. They have Alberta oil; they have Alberta gas. Now we build a pipe line and practically hand it over to them and give the control of distribution to them as far as the line goes.

This company came to the Canadian parliament in 1951 and gave a solemn commitment to this house and to the committee of this house that this was to be an all-Canadian pipe line, built all in Canada, with 100 per cent Canadian consumption. Was that a promise or was it not? Was it a commitment? Was it a commitment by the member who introduced the bill? Was it a commitment when the bill was introduced and a commitment when the bill was passed?

Then a sudden change took place. Shortly after the big Texas oil kings moved in and got control of the company. We were goldbricked. This parliament was laughed at. This parliament was tricked, and we sit idly by and accept it. We were tricked.

The first guarantee is that it shall not be all-Canadian consumption, but that 200 million cubic feet per day shall be sent out through Emerson to the American market. That is No. 1. Now these great Texas oil kings in control of this company say, "We are not even going to build the eastern end of the line; we will get the Canadian government to build it"; and we do it. Under this bill the Canadian government builds the portion of the line from Manitoba to Kapuskasing, rents it to the oil company and says, "You have the option to buy it. If you make money on it, if it is profitable, you hang onto it; if it is a dud, we are stuck with it." They are telling the Canadian people that we are stuck with it.

As if that were not enough, now they say, "You lend us the money to build the western part of it". So we get the bill here to lend them the money to build the western part of it. How far does it go? Have these Texas oil kings no money? Are they not taking the risk, or they going to risk Canadian capital?

An hon. Member: The taxpayers' money.

Mr. Castleden: And then we hand it over by this bill to the Trans-Canada Pipe Line company. As if that were not enough, the Minister of Trade and Commerce makes an agreement with these people on May 15 and comes in here with a bill and says, "Get it through parliament by June 7 or else." You have not only tricked Canadians; you have not only sold your Canadian birthright. You have now destroyed Canadian democracy. The scenes we have witnessed in this house in these last two weeks are a sign of what is happening, namely the destruction of the procedure of this house, the violation of these orders by the government, and the destruction of one of the most promising Speakers who ever came to this house. This government has lost the moral right to rule.

When you destroy these standing orders by arbitrarily bulldozing the people of this house by your majority, you destroy the very basis upon which this parliament can govern. Contempt, disgust, bitterness replace what should be proper reason. Parliament cannot function with that type of thing happening. When this Speaker was told what he should do yesterday; when the action was taken today, and when that Speaker says, "I give this house this proposition", we are being governed by proposition now. There

are no more rules; we have Speaker's propositions; and with four members of the opposition standing in their place raising points of privilege and points of order,—

An hon. Member: Read rule 7.

Mr. Castleden: —the Speaker says, "Those in favour of my proposition" and "Those against" and you steamroller the thing, you set aside this rule book and you destroy parliament.

An hon. Member: Have you read rule 7?

Mr. Castleden: You read it. Look at what is happening in this house. Democracy is being destroyed in this house.

An hon. Member: What do you know about democracy?

Mr. Castleden: I have not heard you try to protect it very much.

Mr. Ellis: Why not get up and make a speech instead of interrupting?

Mr. Castleden: The issue in this house tonight is not the pipe line.

Some hon. Members: Oh, oh.

Mr. Castleden: The issue in this house tonight is democracy and the democratic rights of the people of Canada. Pipe lines will come and go. One hundred years from today the pipe line will probably be forgotten. But the rules and precedents which you have set down today will be the rules whereby this house will be misgoverned. You are taking away the rights of parliament, the rights of members to speak. You are destroying the opposition.

You might as well say to the opposition that they can go home because now, under the precedents set in this house today, the opposition from here on is to be wiped out because they can say, "This was the precedent of June 1, 1956". Built on what? Built on the precedent of 1932, only made much more drastic, completely wiping out the opposition. The government says, "The deadline which we set of June 7 shall be met, irrespective of what happens in parliament."

Where is the seed of it? Where did this come from? I lay the blame on the Minister of Trade and Commerce. I respect his ability as an administrator and as a builder. If I wanted a job done in Canada, a big job in engineering, I believe he would be the man to do it. But I say in the same breath that the man has no right to be within a thousand miles of the House of Commons. Here is his own statement, and I give it to him exactly. I am quoting from page 4405 of *Hansard* of May 28:

> Now, why are we pressing on; why are we pressing this? Well, I do not know; perhaps I get over-enthusiastic about a project. I have been working on sizeable projects all my life, and somehow I reach a point in the development when I think a project is important; and if it is a serious enough project I begin to think it is the most important thing in the world . . .

Yes, it is the most important thing in the world. To him it is more important than parliament. I tell him in this house there is something more important than the project of the pipe line, and that is democracy and the rights of the people, the rules under which democracy operates. They are being destroyed today, and that is why we had the exhibition that we had today.

I want to say it will be a sad day for Canada when people in this House of Commons will not stand up and protect those rights when they see them being violated. I want to say that the rights and the freedom of this parliament can be pushed back 100 years tomorrow unless someone stands here and says "Stop".

As far as we in the opposition are concerned, we refuse to submit to the violation of those rights. Those rights were bought after hundreds of years of fighting, war, struggle, years of imprisonment of men who refused to knuckle down, men who said "this is wrong" and stood up against it.

When I see the docile Liberal backbenchers to a man standing up and condoning what has happened in this house, endorsing it, supporting it, without one word of protest, I say this can happen. I say it is a sad day for Canada, not only to have the opposition wiped out but all the rules and all the symbols of this house and what this house means. That mace should be placed on the desks of the Minister of Trade and Commerce and the Prime Minister of Canada as a symbol of government. It should rest between the opposition and the government as a sign of what is right, of the rights of the minority, of the rights of individuals to speak in Canada's parliament. Otherwise this House of Commons becomes the home of subservient slaves who bow to the will of a person who becomes overly enthusiastic and thinks his project is the most important thing in the world. Under such conditions there is one important matter, and that is freedom.

The disgraceful conduct of the Chair in doing the apparent bidding of the cabinet was the final act of shame. By riding rough-shod over the rules we have destroyed a part of Canadian democracy. The most important words that I could find were from the letters of Junius. I shall read those words:

> We can never be really in danger until the forms of parliament are made use of to destroy the substance of our civil and political liberties—

And that is part of the right of people to speak in this house. I continue:

—until parliament itself betrays the trust by contributing to establish new principles of government, and employing the very weapons committed to it by the collective body to stab the constitution.

That is what we witnessed today. Let us remember that the acts of today become the precedents of tomorrow. That is the dangerous thing, and that is why we must protest if we have any conception of freedom and any conception of the position of parliament as representing the Canadian people.

I want to pay tribute to a private citizen of Canada, one who exemplifies the thing upon which democracy is built. Democracy is built in the hearts and the minds of the private citizens who are alert and alive to the dangers to democracy; who are constantly on the watch and, when they see something happening that is wrong, do what they can and what they should about it. An unknown lady, whose address is Ottawa, wrote a letter to a local newspaper. She was apparently stirred. This unknown individual, sitting in her little home—I do not know where her home is—did a service to democracy. She did what little she could. She was a Canadian. She wrote to the Ottawa *Journal* as follows:

On May 15 Canada was sold "down the river" and democracy went with her, perhaps forever.

This colossus of a government however, does not fear any adverse fate because it knows, as past elections have proved, that Canadians are incapable of moral indignation.

An hon. Member: She must be a Tory.

Mr. Castleden: You ought to know. I am sure she could not be related to you. I continue:

There is no scandal big enough to shock the Canadian people. Shackled by an inertia sedulously cultivated by a wartime government, transfixed by their T.V., captivated by their comics, eager only for their monthly baby bonus (soothing syrup divine), they are completely indifferent to the political scene and the methods employed by their rulers.

It means nothing to them that debate in the house has long been a farce, with the cat-calls and jeers of the Liberals, and the systematic garroting of the opposition by Mr. Speaker, making a mockery of this democracy for which so many of their fathers have died. They cannot see that for this they will pay, and in coinage even more bitter than that just minted on parliament hill.

Mr. Cannon: May I ask a question?

Mr. Castleden: I pay tribute to the one who wrote it. You would not understand. After I get through you may ask all the questions you like. This lady was stirred by injustice. I am sorry to say you are not. She was very stirred because she saw the loss of freedom. She picked up her pen and wrote a protest. It is very little. She did what she should; she sounded a warning. So long as Canada produces such citizens we need not be afraid of democracy; we need have no fear for it. So long as we elect and send to parliament members who will fight against the breaking of the rules of parliament we do not fear.

"The nation which values anything higher than its own freedom will lose that freedom". There is the lesson to us all. No Canadian worthy of the name should fail at this time to utter his protest. Knowing Canadians as I do, when they learn what has happened today they will within the year, I predict, relegate this infamous gang of dictators, the government over there, who have violated Canadian democracy, down to the abysmal depths of oblivion from whence they never should have come.

Mr. Howe (Port Arthur): Mr. Chairman, it is my purpose to take only a few moments. It has been said many times that there has been no opportunity to ask questions and have those questions answered. I want to make it clear that we have had 19 days of debate in discussing this bill.

Mr. Drew: That is not so.

Mr. Rowe: That is not true; you are wrong again. You have had only 14.

Mr. Howe (Port Arthur): What did we do on the other days; discuss points of order?

Mr. Drew: You cannot count the days. There were but 14 days.

Mr. Howe (Port Arthur): Fourteen days is quite a time.

Mr. Pickersgill: A lot of days were taken on those undebatable motions.

Mr. Howe (Port Arthur): I have had my officers here before me for several days, and tonight I have kept them up far later than their usual bedtime. I have had two questions to date, which I shall endeavour to answer. A short time ago the hon. member for St. Paul's wanted to ask a question. Through a misunderstanding the chairman did not give him an opportunity. If he would care to put the question now I would be very glad to deal with it if I can.

An hon. Member: He has gone.

An hon. Member: No, he is right there.

Mr. Bell: Ask him, Rolly.

Mr. Knowles: Careful! If you sit down you can only speak once.

Mr. Bell: The first and only question will now be asked.

Mr. Gauthier (Portneuf): Dumb "Bell" again.

Mr. Michener: Mr. Chairman, the question I had in mind related to the position which would exist when the 34-inch line, the construction of which is provided by this bill, has been completed. It has to be completed by December 31, and it would leave the 34-inch line from the Alberta border to the vicinity of Winnipeg. The bill does not seem to advance the matter beyond that. I wanted to ask the minister what the program was from there. Presumably that line would be used to provide Winnipeg. Where would the gas be taken from? There are no gathering lines in Alberta to bring it to the Manitoba border.

At the Winnipeg end, there is a market in Winnipeg and nothing more. I believe Winnipeg could be supplied with a very small quantity of gas, perhaps 35 million cubic feet per day as compared with a line capacity of 100 million cubic feet. I would like to know for what purpose the line would be used when it was finished, how much gas would go through it, and what amount of time would elapse before additional use would be made of the line?

Mr. Howe (Port Arthur): Mr. Chairman, in a line as long as the contemplated trans-Canada line and of those dimensions it would be quite impossible to think of completing the whole line in one season or, I think, in two seasons. It takes more equipment than I think could be gathered together for the purpose. It may be possible to build to Toronto in two seasons, I am not sure; but the point is that in building to Winnipeg we have built the first 600 miles of the line which will eventually go on to Toronto and Montreal; the most difficult part, because of the larger diameter than the other portions of the line, 34 inches as against 30 inches.

You say there are no gathering lines in Alberta. Well, that province has made arrangements with Tennessee Transmission for the necessary pipe for that purpose. That has been ordered, as well as the line pipe.

Chemical plants are being built in Alberta to clean the gas, and we are quite certain that gas can be delivered into the pipe line as soon as it is completed to Winnipeg. The main urgency is to get the whole situation moving; in other words, to get work going on in Alberta to open up the gathering end of the system; and to advance the pipe line; and to give some security to prospective customers that they will receive the gas for which they contract at a foreseeable time in the future.

The great difficulty about starting a pipe line from an area that has never sold gas and extending into an area that has largely never used gas is that it is extremely difficult to make firm contracts at either end. It is difficult to tell the customer when he will get his gas and it is difficult to tell the supplier when and how much of his gas can be sold into the pipe line.

There has been a great difference in the sales situation since this bill has been before parliament. I received an interesting memo a day or two ago which I might read to hon. members. This is in answer to a question that was asked as to whether the line could be financed without export at Emerson. Assuming that the bridge section—the northern Ontario section—will be built and owned temporarily by the government, it would require a throughput of about 300 million cubic feet per day in order to finance the line. With that throughput the line would carry itself and the problem of financing would not be difficult.

This is the memo:

> Trans-Canada Pipe Lines Limited informs me that of their total expected Canadian sales, they now have about 50 per cent under firm contract. Since, aside from the proposed export at Emerson of 200 million cubic feet daily, they have available from Alberta about 300 million cubic feet daily, this means that their firm contracts now cover about 150 million cubic feet daily.
>
> Trans-Canada informs me further that another 35 per cent of expected Canadian sales are covered by contracts which are now within one to four weeks of signature. In these contracts, the principles have been agreed upon, and only matters of detail remain to be negotiated.
>
> As regards the remaining 15 per cent of Canadian sales, Trans-Canada states that negotiation for contracts awaits such things as issuance of local franchises in a number of communities in which sales can be expected when a duly franchised utility is established.
>
> It should be noted in connection with the foregoing that the term "expected sales" does not tally with the amounts that the utility companies are contracting to take or pay for.

In other words, the load factor.

> All utility companies insist on a safety margin in their contracts. For instance, if they expect to sell 50 million cubic feet daily, they may contract to take or pay for 40 million cubic feet. The proportions I have stated make what Trans-Canada considers a conservative allowance for this customary understatement of demand, to arrive at a normal estimate, by gas transmission company standards, of expected sales.
>
> The essential point of these calculations is that Trans-Canada now has under contract or clearly in sight, from Canadian customers only, about 75 per cent of the income required to service the debt involved in building its whole Canadian gas transmission system. By the end of its second full year of operation, Trans-Canada now expects to be able to come very close to meeting all debt service obligations on Canadian sales alone.
>
> What is needed to secure the additional contracts that will protect all debt service is the assurance that the pipe line is under construction. This is the purpose of the legislation now before

the house. Once this legislation is passed, and the pipe line under way, it is quite within the bounds of possibility that the company can demonstrate ability to meet its debt service. Under normal circumstances a gas transmission company would then expect to be able to raise by normal means the funds it requires under those circumstances.

In other words, the question the line can be financed without export is being largely answered by the volume of sales that are being booked by the transmission company. I have very little doubt that by autumn it will be possible to finance the line in Canada independently of export.

I was asked what the government's policy is regarding public investment. I think that policy has been made clear over the years. If there is a job which needs to be done that private enterprise is unwilling to undertake, it has been the policy of the government to do that job as a government enterprise. I can think of several examples; for instance, Trans-Canada Air Lines. No private enterprise was willing to tackle that job at the time. Polymer is another. I can name several other jobs that have been done by the government for the reason that private enterprise was not willing to undertake them.

An hon. Member: And done well.

Mr. Howe (Port Arthur): We believe that private enterprise can usually do a job better than the government.

An hon. Member: In the case of T.C.A.?

Mr. Howe (Port Arthur): Perhaps if private enterprise had started T.C.A. it might have done better.

An hon. Member: The C.P.A.?

Mr. Howe (Port Arthur): The C.P.A. started with a rich uncle. In any event that is government policy. If the only way of getting this pipe-line project built should be to build it as a public enterprise, the government would regard that as its responsibility. But the government believes that a gas pipe line is peculiarly a project for private enterprise, for the building and operation, and the government is doing its utmost to keep this project in the hands of private enterprise.

It has been represented that this will be a great gold mine for the owners of the shares. I hope so, because, as I have said, we are making sure that slightly more than half the shares will be sold to Canadians. If there is a gold mine in the project, I want to see Canadians benefit, but I would not buy shares myself with any expectation that they represent a gold mine.

This is a very long pipe line, and while I am satisfied that it will be a fair investment I think it is most unfortunate when the hon. member for Winnipeg North starts counting up the millions of dollars that will go to the owners of the common shares. Every common share outstanding represents an investment of at least $8. The original shares were sold at $8 per share, and since then they have been sold at $8 plus interest from the time the first shares were sold. When the line is financed, shares will be issued to the distributors at $9. The cost of distribution will probably be $1 per share, and they will be offered to the public at $10.

This idea that the insiders are making a killing is absolutely wrong. Many times the men who have been working at this problem, working their hearts out trying to get it moving, have said to me, "If we could get $8 back and have a chance to buy the same shares at $9 or $10 when the line is in operation, it would be the greatest transaction we have ever made."

It has been said that this is an improvident transaction, that it is a sinister transaction. I would just like to say that I have been working for the government for 21 years and I have been working as an engineer in private practice for another 20 years, and I think I have a pretty good record. I do not think anyone can point to any particular project and say that through bad judgment on the part of Howe he lost money in the transaction, or at any government project carried out under my direction and say that is a project in which the government of Canada did not get back a proper return.

The point I am making is that I am getting on in years and this may be the last big project I will be called upon to undertake for the government of Canada. I want to assure hon. members that it is not my purpose to close my years of engineering practice and public life by undertaking a project that is an improvident project for the government, a project which will stand to my discredit over the years.

I am confident that this project will work out to the advantage of Canada. Hon. members have referred to the crisscross networks of pipe lines in the United States. It is true that pipe lines take gas to every corner of the United States, to almost every town and village in the United States. Are we in Canada to carry on in competition with that great country without the advantages of natural gas being brought to various communities? For the communities where the gas originates, there will be the possibilities of petrochemical works, and then there will be the advantages that the delivery of gas will bring to industry and the comfort it will provide to home owners.

This is a necessary project. It is said we could put it off for another year, but these projects if long delayed fall to pieces. I became interested in this project directly a little over two years ago, two years and one month exactly. Hon. members talk about five years, but I did not have anything to do with this project five years ago or four years ago or three years ago. I became interested when Premier Manning came to Ottawa and asked the assistance of this government in marketing Alberta natural gas.

Those two years have been well spent. I think the progress that has been made by the company in working out its engineering, in acquiring rights of way, in acquiring production contracts and in signing up markets has been such as could reasonably be expected to take two years. But the project has come to the point where we may say, "True, you have signed up all the gas, and you have arranged sales contracts for more than half the capacity of the pipe line, but just hold another year and probably things will work out all right." When these things reach that point they do not hold through another year. These purchase contracts in Alberta are not going to hold for another year. The sales contracts are not going to hold another year, because people have to make up their minds about the kind of fuel that will be available to them.

It seems to me that the greatest possible compulsion is placed on everyone connected with this project to get the construction started this year. I am hopeful that this bill will pass in due time and the project get under way. I still believe that if this is my last project, it is still a project with which my children will be rather proud that their father had a hand in getting it going.

Mr. Rowe: Mr. Chairman, I listened with interest, as I know every other hon. member did, to the right hon. Minister of Trade and Commerce. His last notes were most touching. I hope his children are never ashamed of him, as I hope my children will never be ashamed of me. I hope this will not turn out to be the flop which the minister seemed to indicate he almost thinks it might. It does amuse me to hear one who has had such long experience in parliament tell us that his judgment has never been in error in building these great things in the past, and that he is building a monument now of which his little children will be very proud in the years ahead.

I have also been in politics a long time. You know, some men are born to greatness, some men achieve greatness, and some men, like the minister of immigration who laughs at everything, have greatness thrust upon them, but still when they get up they hardly know whether they are going or coming. In the house you would wonder what is on. You hear a snigger here and snigger there, and you look around and you find it is the Minister of Citizenship and Immigration.

As I have said, almost since I was old enough to vote I have had experience in municipal, provincial and dominion politics. One of the first things I learned in the county council was to respect parliamentary procedure. Never in all those years have I witnessed what I have witnessed in the past two weeks. Never did I dream in the wildest stretch of my imagination that I would ever sit in any parliament that would disregard British parliamentary principles as they have been disregarded here.

This government, led by the man who never makes a mistake, by the man whose children and grandchildren are going to be proud of him, is going to create a crown corporation to construct this pipe line across northern Ontario. Yet they tell us how much they love private ownership. That man comes into the house and tells us that this is the most important project that has been brought into this house in the last quarter century. In one hand he holds the resolution and in the other he shoves out closure, almost ahead of the resolution. It would shock the most modest county council and disgust the smallest legislature in Canada, let alone the parliament of them all. This is the most shocking treatment we have ever seen.

The Prime Minister, who is as much concerned with his nephews and grandchildren as the Minister of Trade and Commerce, sits in sanctimonious silence and says it is all right as long as he sees a strong majority but he says, "We dare not go to the country now, for we may not come back like this." The Minister of Trade and Commerce gives us the resolution with one hand, but he puts on closure with the other. The Prime Minister says, with quiet, grandfatherly affection, "You can speak now for the rest of the week; and you know I will not stop you from voting."

Mr. Sinclair: That is what parliament is for.

Mr. Rowe: The Minister of Fisheries thinks that is very generous. We have seen closure after closure, for the sake of closure alone. The greatest project to be considered by this house has been brought here in a cloak of secrecy. At no other time in our history has any project been so deliberately hidden from the consideration of the House of Commons as this particular project. In haste and fear this important question has been rushed into the house and then hidden by this carefully

beclouded and clumsily befuddled plan of closure. Never in history have we seen closure applied like this.

You talk about 1932. I was sitting on the government side of this house at that time. True, we had closure, but we were not very proud of it. Right Hon. R. B. Bennett was not proud of it. It was not the greatest project that had been presented to Canada. It was a case where men were starving in this country and farmers could not find sales for their products, and the Liberal party had lost every market in the world. It had lost the British market, it had lost more markets than any government since confederation. Yet they wanted to put the government in a spot and for 21 days they went on and debated. Finally Right Hon. R. B. Bennett did bring in closure. He said to me, "I hate to do this, for it establishes a bad precedent, but farmers are starving." That was because of what the Grit government had done in the years before. It was not an issue like the one in 1912 about the dreadnaughts going to Britain. But here we have a picture we are all in favour of.

Some hon. Members: Hear, hear.

Mr. Rowe: We are all in favour of the development of Canada. I am not confused by your applause. You applauded a member who said we had been speaking for 21 days, when the truth is that we have been speaking for only 14 days. You applauded another hon. member over here, the hon. member for Charlotte, when he told us how many years it would take if everybody talked as much as some of the members talk. He talked about everything except the issue before the house. These men who thump their desks and laugh so much, in this particular issue that threatens the freedom of parliament, have not even seen the insects that infect the carcass. You gentlemen seem to be lost.

An hon. Member: Is that your horses?

Mr. Rowe: I have listened to you in this house for a long time. I have prayed for the day when you might rise. I notice that the backbenchers opposite have demonstrated they have more brains in their seats than in their feet. We have seen the spectacle of these desk thumpers applauding the government, and today applauding the Speaker. Today the Speaker came in and said he was wrong yesterday. They said, "That is all right; we will support you today too." These gentlemen will support anything. If a long-tailed rat came in that door they would not shoot him. Never was a more subservient crowd in power in Canada. I have watched them in power for a long time. I remember the Minister of Trade and Commerce saying, "If we want to do it, who is going to stop us?" and, "I never was much for rules." He has proven that now. They have thrown out the rule book and run over it with a steam-roller. If I were sitting behind this tired, smug, old government, I would hide my head in shame rather than pound the desks. Let them go back to their constituencies. The Minister of Finance laughs.

Mr. Harris: Yes.

An hon. Member: Who wouldn't?

Mr. Rowe: Let him tell the people—

Mr. Harris: Tell us what happened in 1935?

Mr. Rowe: Come on to Dufferin-Simcoe. The weather there is good there too.

Mr. Harris: Then hogs were about 3 or 4 cents, and now they are 26 cents.

Mr. Rowe: The Minister of Finance laughs with reckless glibness, and he speaks just about as glibly and just about as recklessly. The other night he told us that if nobody wasted Mr. Howe's time debating this bill, Alberta gas would be delivered in the city of Winnipeg before winter. More than that, the Minister of Finance said:

> The completion of the line from Kapuskasing to Toronto and Toronto to Montreal may very well be done in the next construction season. Bear in mind what I have said.

At the same time we find that the Trans-Canada Pipe Lines Company says that the first delivery on their purchase of 30-inch pipe in England will not get here until 1957, and the completion of delivery will not be until 1959. What are you going to run the gas through? I suppose you will get the pipe from a blacksmith up in Grey-Bruce—

Mr. Harris: They are far better there than in Dufferin-Simcoe.

Mr. Rowe: Certainly I would expect the Minister of Finance to be a little more sure of his facts before he tells us these things so glibly. I never saw a man struggling harder to bail out another colleague. If he had not struggled so hard to bail him out in the last few years he would not be in this mess now. I wonder what they will be like in the future if he has to struggle so hard now. I hear the rustling in the mulberry bushes, and the Prime Minister seems to be getting ready to retire from the leadership. I wonder if there is something in mind for the future.

Mr. Sinclair: Tell us about Premier Frost now.

Mr. Rowe: That is the sort of proposition we have with respect to this great project.

Mr. Pickersgill: Tell us about Premier Frost.

Mr. Rowe: Oh, your little voice does not bother me one bit.

Mr. Gauthier (Portneuf): But you do not answer.

Mr. Rowe: The Minister of Trade and Commerce says this is the greatest project we have had in the last generation. Why is it now brought before us in a mixture of haste, fear, uncertainty and secrecy? Why is this government so afraid of the facts? The minister tells us the facts in a trembling and almost apologetic voice, hoping he has told us enough and not too much so that even his children will not be ashamed of it. Why should these gentlemen be afraid of the facts? Why should they be afraid of parliament? Why should they be so afraid of discussion? Why are they so afraid of opposition? Why are they so afraid of going to the country? You have been bound to your desks for three years. Go out on the green and see what the people think about you. Read the Toronto *Star*. Read the Winnipeg *Free Press*.

Mr. Pickersgill: Read the *Globe and Mail*.

Mr. Rowe: Mr. Chairman, when I heard these gentlemen talking tonight I could not help but think what a great thing it was that we still had freedom of the press, because there is little freedom left in this parliament. Never have I seen the rights and privileges of individual members of parliament so blunted. This Friday will long be a black Friday in the history of parliamentary freedom in Canada. You people were so buoyant in time of critical depression when men and women were suffering. Who is suffering now for want of gas in Ontario? Who is starving for your gas? Who is starving for it now?

An hon. Member: Ask Premier Frost.

Some hon. Members: Tell us about Frost.

Mr. Pickersgill: Tell us about Frost. Tell us about your premier.

Mr. Rowe: You pipsqueaks sound like men on a frosty morning. You have hoarse voices. I cannot tell what you say. Who is suffering but you gentlemen, you great philanthropists, you great advocates of human rights, you great sympathizers with the babies and the aged? In 1932—

Some hon. Members: Hear, hear.

Mr. Rowe: Oh, you boys who pound your desks the most were not even here then. You were not even thought of, but your cohorts in those days said that they would not give a five-cent piece to any Tory province in Canada. You would not give a five-cent piece; and when we tried to do something you opposed it so long that we had to put in a form of closure after the first clause had been dealt with for 21 days, an entirely different situation from tonight. Do not let anyone tell you otherwise. It is just like your misrepresentation of the Leader of the Opposition in this debate. You talk about him not being for the development of Canada. Who developed northern Ontario more than the Leader of the Opposition?

Some hon. Members: Hear, hear.

Mr. Rowe: You say we are not in favour of the development of this country, whether it is the gas line, the C.P.R. or anything else. Why, you young pipsqueaks, your grandfathers voted against the building of the C.P.R. and tried to hamper it by building another line to run parallel with it. It was Right Hon. Sir John A. Macdonald who formed the national policies that brought about the beginning of industrial development in Canada. It was the Leader of the Opposition who put $200 million into the development of northern Ontario. You men who laugh should laugh less and read more.

Mr. Sinclair: Who gave us the blackouts, the brownouts and the power shortages? George Drew.

Mr. Rowe: You are a long way from being right. It was Hon. Mitchell Hepburn who was responsible for the shortages that brought about the blackouts. You do not know what you are talking about, coming from Vancouver. This picture is a sad picture for this house when we see the steamroller we have at the present time. Tonight the hon. member for Charlotte and the hon. member for Trinity both complimented the government on its steamroller tactics. They said that closure was a good thing, and hoped that it would be used in the future. They criticized the leader of the C.C.F. party, an older parliamentarian. I differ with him in politics, but he is a much finer parliamentarian than anybody I see across there. When he says this is an abomination you backbenchers laugh at him because you do not understand what he is talking about.

Yes, it is passing strange that this great project could be brought in hidden in secrecy, so carefully beclouded, so clumsily befuddled, so cautiously brought in, so hastily brought to the fore and so carefully planned. Somebody has said that we have talked 21 days. You are 50 per cent wrong in the number of days, but you say that we should have been talking about the pipe line. Your Minister of Trade and Commerce told us that we could not talk about the pipe line.

Some hon. Members: Oh, oh.

Mr. Rowe: He put closure on debate; and when we are trying to fight for the rights

of parliament this government, these hon. members, especially the backbenchers, seem to disregard parliamentary principles. Principles in anything are eternal, but pipe lines are only pipe lines. I say in all sincerity, Mr. Chairman, do not think that this great champion of free enterprise who has built more crown companies than anyone else is the only man who can build the pipe line. He says, "I have never made a mistake in my life. I will put on closure. None of these boys knows what he is talking about." He seems to think we may have a dictator some day and, if so, who could be better than himself?

Yes, Mr. Chairman, I have learned long since that power corrupts and absolute power corrupts completely, and I never saw a government so completely corrupt as this government that is trying to corrupt parliament. I say in all sincerity that never since confederation has there been in any British parliament greater destruction of the rights of the individual and the privileges of members in one week's time; never in the whole history of government in the British commonwealth. Yes, Mr. Chairman, that is the attitude of these backbenchers, and I include the little Minister of Citizenship and Immigration who flaps his flippers and pounds the desk. I would be ashamed to be a pupil of Mackenzie King and learn as little as he has learned.

The hon. gentlemen talk about the supremacy of parliament, and not one of them has risen and made an intelligent observation about the rights of parliament in the last week. They know so little that the Speaker is the only man who can argue their case. He makes a decision one day, and then is so afraid of what you may think that he comes in and corrects it the next day and you all vote for that 100 per cent.

Have you ever seen a more subservient group hiding behind the iron curtain of secrecy, behind a smug, complacent, tired old government, eight members of which, as someone has said, were never in parliament before they came into the cabinet? They had greatness thrust upon them. None of them had ever been in the opposition. I do not think any of the eight were ever in a county council. If they ever had been and had behaved like they have here, they certainly would not have been very popular. What has gone on here would never be seen in any provincial legislature, any municipal council, any county council in Canada. I urge the government not to follow their own precedents.

An hon. Member: Time.

Mr. Rowe: Someone calls time. The Minister of Trade and Commerce says that this has to be done because a deadline was set. I do not know whether it was set by the federal power commission of Washington, by Murchison, by Trans-Canada, by Tennessee or by Gulf Oil. I do not know who helped to set the deadline. I do know that the bill was mentioned in the speech from the throne and was mentioned in the house. I do know that the company was incorporated five years ago and that the government spent four months considering the matter before they hastily brought in the measure and imposed closure so we could not debate it.

Mr. Martin: Mr. Chairman, the last hon. gentleman has not only been a distinguished member of this house for many years but at one time was the leader of the Conservative party in the province of Ontario. He belongs to the same political party of which the premier of that province is a member.

Mr. Hees: What about the pipe line?

Mr. Martin: He belongs to the great political party of which the Leader of the Opposition was both the leader and premier in the province of Ontario. In a debate of this importance one would have thought that the views of the premier of Ontario would be of great significance and relevance. It would be interesting to know why the hon. gentleman who has just spoken has ignored our questions as to whether or not he agrees with the views expressed by the premier of Ontario. It would be interesting to know whether the grand conspiracy which he has been talking about tonight includes a conspiracy among the premiers of Alberta, Manitoba and Ontario and the federal government.

An hon. Member: And the Speaker.

Mr. Martin: It would be interesting to know why the Leader of the Opposition, throughout this debate, has persistently refused to make any reference whatsoever to one of his friends, one of his political colleagues, with whom he served as head of the government in which the present premier of Ontario served as his provincial treasurer. Mr. Frost, the premier of this province, had this to say about this question:

> We have taken a generous view with the federal government and recognize their position in this matter has not been simple or easy. I have no intention here of making it more difficult for the federal government to carry its arrangements through. If I did that, I would be doing a disservice to this country.

Does the hon. gentleman who has just spoken agree with the premier of the province of Ontario who says that this matter is one of urgency, that he could not take a position in opposition to this measure because

he would be doing a disservice to Canada? He goes on to say this:

> Apparently the Trans-Canada Pipe Lines agreement provides for the quickest and most effective way of bringing gas to Ontario.

Does the hon. gentleman who has just spoken agree with that statement? Then Premier Frost goes on to say this:

> Since the very beginning of this country we have recognized there is a price to pay for Canadian independence. If we had not recognized that, certainly there would be no Canada today. In addition to what has been said about the control of this company, whether the Canadian shareholders had the opportunity to take 51 per cent of the stock, or anything of that sort, the fact of the matter is that the construction is in Canada, wholly within the jurisdiction of our country, and is subject to the legislative enactment not only of the government of Canada but of the provinces through which it passes. That in itself is the real essential of control.

Those are words of a man who is not a supporter of this government but who supports the party of which the Leader of the Opposition is leader; and not one word have we had in this debate from anybody sitting behind the Leader of the Opposition for or against the statement of the premier of Ontario. Is it any wonder, then, that the *Globe and Mail*, which has supported the Leader of the Opposition throughout his period as Leader of the Opposition in this house, writing of the attitude of the provincial Conservative party and then directing its attention to the party that sits behind the Leader of the Opposition in this house, the other day carried the following:

> What of the Conservatives in Ottawa? They, too, dislike Mr. Howe's method of providing the line. But they do not offer any practicable alternative to it, any alternative which recognizes the need to get the line started and finished without further delay.

Then the *Globe and Mail* goes on to say this:

> Mr. George Drew . . . would submit the house scheme to a Commons committee—a sure way of holding up the pipe line for at least another year.

We may well ask "why this opposition?" I am not going to suggest the motives that have inspired the Leader of the Opposition, before this measure was initially discussed in the house, to indicate what he and his colleagues proposed to do.

Mr. Fulton: And you have been panicking ever since.

Mr. Martin: I am not going to spend much time in reminding the house what the hon. member for Prince Albert said about what he was going to do by holding up the business of the government.

Mr. Fulton: You have been panicking.

Mr. Martin: I hold in my hand, Mr. Chairman—

Mr. Diefenbaker: That statement is as false as your promises about health insurance.

Mr. Martin: I hold in my hand—

Mr. Fulton: Look at the minister panicking.

Mr. Martin: I hold in my hand the reason for the attitude of the opposition. Here is a report that appeared in the Toronto *Daily Star*. These are not my words. These are not the words of a supporter of the Prime Minister. These are the words of a supporter of the Leader of the Opposition, a man who served as a loyal worker contributing his energy and his support to the cause which the Leader of the Opposition has been advocating.

Mr. Diefenbaker: What did the Windsor *Star* say?

Mr. Martin: Here are the headlines:

> Drew Plays Politics for East, U.S. Money Vital—Western Tory.

Here is the story:

> Calgary, June 1—(CP)—Opposition to the stand of Progressive Conservative leader George Drew on the pipe line issue was voiced yesterday by J. I. Haw, treasurer of the Calgary South Progressive Conservative association, who charged Mr. Drew is "playing politics to maintain his stand in the east".
>
> "He forgets that we in the west must have money from the United States," he said. "What is good for the U.S. is good for Canada, and vice versa. There should not be one bit of argument in that respect—it doesn't hurt Canada one iota."

He says in effect, "My leader should stop playing politics".

Mr. Fulton: When are you going to stop playing politics?

Mr. Martin: We were told by the hon. member for Assiniboia, who stated on March 7, as reported in the Ottawa *Journal*: "The government ain't seen nothing yet in the way of filibusters, Argue warned last night. He served notice that his party intends to prolong debate on the Trans-Canada gas pipe line issue until the bill is amended. "We are going to stage the biggest filibuster that we have ever had in this country". Having in mind that background, Mr. Chairman, one would want to go back to the words of a respected and senior member of this house, namely the hon. member for Vancouver-Kingsway, who said this on Thursday last.

Mr. Ellis: Read the whole quotation.

Mr. Martin: He said:

> May I tell hon. members, government members, official opposition members, C.C.F. members and Social Credit members, that I favour closure. The

government has a perfect right—not only a right but a duty—to invoke closure at the right time—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: At the right time.

Mr. Martin: To continue:

—that is, when it has been demonstrated that the business of the house cannot be carried on in any other way but by closure.

Mr. Rowe: Oh, yes; but that was not demonstrated. Debate had not started.

Mr. Martin: Hon. gentlemen opposite have quoted Sir Wilfrid Laurier.

Mr. Fulton: Panicking in advance.

Mr. Martin: My hon. friend says I am panicky. May I say that I am not so panicky as my hon. friend is right at this minute.

Mr. Fulton: Oh, no?

Mr. Martin: And this debate is not through yet. Sir. Robert Borden, the great constitutionalist and prime minister of this country and leader of the Conservative party, was the first hon. gentleman in this house to propose closure, and we all recall the circumstances. Let us remind ourselves tonight of the words he used on that occasion.

Mr. Fulton: What did Sir Wilfrid say?

Mr. Martin: I am coming to him in a minute, if you will just be patient.

Mr. Fulton: What did your party say about it at that time?

Mr. Martin: I will come to that in a minute. This is what Sir Robert Borden said:

The resolution which I have the honour to move this afternoon touches a very important subject, because it must be apparent to all hon. gentlemen in this house that unless we have such rules as permit the reasonable transaction of public business, and prescribe the ordinary and proper conduct of debate, parliament must fail in its chief function, and the proceedings in this house are liable to be brought in to disrepute and contempt.

No one is more ready than I to acknowledge that liberty of speech and freedom of debate must be preserved, but I venture respectfully to suggest that these privileges must be observed and maintained under such conditions that they shall not be allowed to degenerate into licence and obstruction.

My hon. friends have quoted Mr. Mackenzie King in the debate of 1932, which saw a motion moved by the then prime minister, Mr. Bennett, for closure. Here is what Mackenzie King said. Hon. gentlemen opposite did not quote this when they were talking about him in the same debate:

If you strike at the foundation of parliamentary government, you cannot do anything at all in parliament, because everything done by parliament is based on the assumption that, by the common agreement and consent of all assembled together in a parliament, you have regard and respect for the conventional foundations of parliamentary government.

That was at page 1627 of *Hansard*, volume II, 1932. Then at page 1631 of volume II of *Hansard* of 1932 he went on to say:

Obstruction is, in reality, nothing less than a repudiation of the existing constitution of the country.

The hon. member for Dufferin-Simcoe—

Mr. Fulton: Mr. Mackenzie King never said any such thing on page 1631.

Mr. Martin: I have sat in this house when the—

Mr. Fulton: Mr. Mackenzie King said no such thing on page 1631.

Mr. Hees: You are caught out.

Mr. Pearson: Freedom of speech.

Mr. Martin: Mr. Chairman, you have in your hands now—

The Deputy Chairman: Order. In the last few moments of this limited debate I would ask the committee to hear the Minister of National Health and Welfare.

Mr. Martin: When the hon. gentleman was discussing the debate of 1932—

Some hon. Members: You have not read it right.

Mr. Martin: My hon. friend can holler. He has not the slightest appreciation of the value of free speech.

Mr. Fulton: Mr. Chairman, I rise on a question of privilege.

Some hon. Members: Sit down.

The Deputy Chairman: Order.

Mr. Fulton: This committee is entitled to have the page reference from which the minister is quoting, and I am simply saying that Mr. Mackenzie King made no such reference on page 1631 of *Hansard*. We do not find a quotation from Mr. Mackenzie King on that page.

The Deputy Chairman: I think I must rule that even if the minister was misquoting, it is not a question of privilege. The Minister of National Health and Welfare.

Mr. Martin: When Mr. Bennett was introducing his resolution in 1932 this is what he said.

Some hon. Members: No.

Mr. Martin: He said, as reported at page 1404 of *Hansard:*

That statement, together with the statement I made a minute ago as to the fundamental principle—

Mr. Fulton: What page?

Mr. Martin: Page 1404. I continue:

—under which parliamentary institutions obtain, is the rule of the majority which constitutes the case we make today for the measure that is standing in my name. Those principles I believe cannot readily be questioned.

Listen to what Mr. Bennett said, then the leader in this house, of the hon. member for Dufferin-Simcoe. The hon. member sat in this house when this was said:

Is it a crime against the state, as Mr. MacDonald thought it was, wilfully to oppose and maliciously to consume time in personal attacks, maliciously to consume time in making statements which must be known to be untrue, making statements which must be known are wholly beside the question? Is it not, if his statement be correct—

Mr. Hees: It is three to one on Walter. You have not a hope. You may as well sit down.

The Deputy Chairman: Order.

Mr. Hees: Walter has it.

The Deputy Chairman: The hon. member's time has not expired but it very shortly will expire, and he is entitled to be heard.

Mr. Martin: Here is the final sentence of Mr. Bennett, and I am sure my hon. friends would like to hear what Mr. Bennett said:

Is it not, if his statement be correct, in the true and just sense of the term, a crime against the state that this sort of thing should continue?

Mr. Fulton: The sort of thing you are doing is a crime against the state.

Mr. Martin: I say we have precedent and justification, if ever a parliament had, for closure. Hon. gentlemen have had 14 days in which to debate this matter. They talk about the denial of free speech, and every time some member on this side has risen in this house they have not given him a chance to be heard.

Mr. Rowe: Twenty-one days' difference.

Mr. Martin: They attacked the Prime Minister; they attacked—

Mr. Hees: You are running third; you are through.

Mr. McCann: Come on, you are just a windbag.

The Deputy Chairman: Order, please. May I suggest to hon. members on both sides of the house that the minister who has the floor is entitled to the same courtesy that has been extended to the other speakers tonight.

Mr. Martin: When the hon. member for Dufferin-Simcoe was speaking we gave him the attention he deserved.

Some hon. Members: Oh, oh.

Mr. Martin: We did not agree with what he said, because we knew perfectly well that he himself did not agree with what he said. If I have said anything out of place, of course, I withdraw it.

Mr. Rowe: You had better withdraw it.

Mr. Martin: Because whatever the hon. gentleman said was really not worth referring to at all.

Mr. Rowe: Mr. Chairman, I rise on a question of privilege. The Minister of National Health and Welfare said I was saying what I knew was not correct; in other words,—

An hon. Member: He withdrew that.

Mr. Rowe: He simply said that if he said anything he should not. I would assume that he would withdraw his whole speech, because he is really 21 days out in the whole thing.

The Deputy Chairman: I understood the minister to withdraw the statement I heard him make, that the hon. member for Dufferin-Simcoe did not really believe what he said. If the minister has not withdrawn that statement, he must do so.

Mr. Martin: I gladly withdraw it. I am sure the hon. gentleman really did mean what he said.

Some hon. Members: Oh, oh.

Mr. Martin: The page I was referring to is 1627.

Mr. Hees: You had better withdraw your whole speech.

An hon. Member: Why not withdraw yourself?

Mr. Martin: I simply want to close what I have to say by quoting from the Toronto *Telegram.*

Some hon. Members: Time.

Mr. Rowe: Does closure not apply to you?

Mr. Martin: Here is what is said about the Prime Minister of this country by the Toronto *Telegram*:

Louis St. Laurent; World Statesman

The second French-Canadian Prime Minister in Canada's history, Mr. St. Laurent's integrity, honesty of speech and fairness of mind are qualities in which Canadians take pride.

Some hon. Members: Time.

Mr. Martin:

It is Canada's destiny that her Prime Minister shall henceforth walk among the leaders of the world and it is a happy omen for this country that in Mr. St. Laurent we have a man of incisive vigor of intellect and courage of convictions to speak for Canada on the great problems of peace and progress in the world.

Northern Ontario Pipe Line Corporation

Mr. Hees: I just received a tip. Walter is first, Bob is second, Pickersgill is third and you are fourth, Paul.

Some hon. Members: Sit down.

Mr. Martin: Mr. Chairman—

Some hon. Members: Sit down.

The Deputy Chairman: Order. It is now past one o'clock and under standing order 33, the last few lines of which I propose to read:

. . . and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock—

Order.

—in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

It therefore becomes my duty to put the questions to the committee. The first question is on clause 4. Shall clause 4 carry?

Some hon. Members: Carried.

Mr. Michener: Mr. Chairman, I move—

Some hon. Members: No debate.

The Deputy Chairman: With deference, I am unable to hear because of the noise. I am unable to receive a motion from any hon. member. I heard the hon. member for St. Paul's start to say "I move". I have read the standing order which is binding. I submit just this to the committee. I did not write this order but I have been given the duty of carrying it out, and what it says is that:

. . . no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate—

et cetera.

—shall be decided forthwith.

I have no alternative but to put the question which is now before the committee. The question is shall clause 4 carry?

Some hon. Members: Carried.

Mr. Michener: Mr. Chairman—

Some hon. Members: Sit down.

The Deputy Chairman: Those in favour of clause 4 carrying will please rise. May I say to hon. members on both sides of the house that those who are not in front of the line of curtains will not be counted.

Mr. Hodgson: There are a couple coming in over there now.

Mr. Monteith: Keep out, Hollingworth.

Mr. Bell: If you want to vote for closure, come on in, Al.

[Mr. Martin.]

The Deputy Chairman: Those opposed to clause 4 carrying will please rise.

Clause 4 agreed to: Yeas, 130; nays, 41.

The Deputy Chairman: I declare clause 4 carried. Shall clause 5 carry?

Some hon. Members: Carried.

Mr. Drew: It has never been before the house.

Mr. Knowles: We have never discussed it. It has not even been called yet.

Mr. Diefenbaker: The railroading continues.

The Deputy Chairman: Those in favour will please rise.

An hon. Member: Outside, the hon. member for Pontiac.

The Deputy Chairman: Those opposed to clause 5 carrying will please rise.

Clause 5 agreed to: Yeas, 132; nays, 41.

The Deputy Chairman: I declare clause 5 carried.

Mr. Knowles: Without it having been before the house.

The Deputy Chairman: Shall clause 6 carry?

Some hon. Members: No.

Some hon. Members: Carried.

The Deputy Chairman: Those in favour will please rise.

Mr. Coldwell: What a farce.

Mr. Martin: You have made it one.

Mr. Nowlan: At one time this was a parliament.

Mr. Knowles: It has never been called.

Mr. Rowe: We have had 14 days of closure.

Mr. McCullough (Moose Mountain): Democracy down the drain.

The Deputy Chairman: Those opposed to clause 6 carrying will please rise.

Clause 6 agreed to: Yeas, 132; nays, 41.

The Deputy Chairman: I declare clause 6 carried.

Shall clause 7 carry?

Mr. Knowles: I rise on a point of order.

The Deputy Chairman: Unless the hon. member is rising to contest the vote on the last clause he may not be received. I would not be able to hear him.

Mr. Knowles: I rise on a point of order with respect to the calling of clause 7.

The Deputy Chairman: I am unable with regret to hear the hon. member's point of

order on clause 7 because my instructions under the rule are that I have—

An hon. Member: Closure.

The Deputy Chairman: —to put the question on clause 7.

Mr. Knowles: Are we denied the right to speak to a point of order? This is the second time today you have done this, Mr. Chairman.

Clause 7 agreed to: Yeas, 134; nays, 40.

The Deputy Chairman: I declare clause 7 carried. Shall clause 1 carry?

Clause 1 agreed to: Yeas, 134; nays, 41.

The Deputy Chairman: I declare clause 1 carried. Shall clause 2 carry?

Clause 2 agreed to: Yeas, 134; nays, 41.

The Deputy Chairman: I declare clause 2 carried. Shall clause 3 carry?

Clause 3 agreed to: Yeas, 134; nays, 41.

The Deputy Chairman: I declare clause 3 carried. Shall the title carry?

Title agreed to: Yeas, 134; nays, 40.

The Deputy Chairman: I declare the title carried. Shall the bill carry?

Mr. Knowles: Mr. Chairman, I rise on a point of order. That is not included in the Prime Minister's motion. You are under no instructions to put the question on the carrying of the bill.

Bill agreed to: Yeas, 133; nays, 41.

The Deputy Chairman: I declare the bill carried. Shall I report the bill?

Mr. Knowles: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: Order. I am going to repeat my instructions once more to the committee. My instructions are to be found in standing order 33.

Mr. Knowles: And that is all.

The Deputy Chairman: Standing order 33 says:

> . . .and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

Mr. Knowles: That was in the Prime Minister's motion? I ask you to read the Prime Minister's motion under which you are operating.

The Deputy Chairman: In my opinion that includes reporting the bill. Hon. members in favour of the chairman reporting the bill will please rise.

Northern Ontario Pipe Line Corporation

Motion, (Mr. Howe, Port Arthur) agreed to: Yeas, 132; nays, 41.

During the taking of the vote:

Mr. Fulton: Who put the question? Who can get the floor to put the question?

Mr. Knowles: You would not let the hon. member for St. Paul's make a motion, and you would not let me rise on a point of order. Yet in effect you have allowed the government to make a motion. In 1913 Mr. Pugsley and Sir Wilfrid Laurier cursed the government for doing this.

Mr. Howe (Port Arthur): You do the same.

After the taking of the vote:

The Deputy Chairman: Bill ordered reported.

Mr. Knowles: Goodbye.

Bill reported.

Mr. Coldwell: Mr. Speaker, the people in the galleries have seen a farce tonight.

Some hon. Members: Hear, hear.

Mr. McCann: Looking at you. You are the farce.

Mr. Coldwell: This is the worst proceeding that has ever been seen in this parliament, Mr. Speaker. The chairman has tried to muzzle the committee.

An hon. Member: The Speaker is on his feet.

Mr. Speaker: This house stands adjourned until Monday at 2.30 in the afternoon.

Mr. Rowe: Why not dissolve it and go to the country?

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we will take up third reading of the bill.

Mr. Fulton: We cannot hear.

Mr. Sinclair: If you would keep quiet you would.

Mr. Harris: I was announcing that the business on Monday would be the pipe-line bill.

Mr. Drew: Mr. Speaker, I assume that the first order will be the debate on the motion with regard to the conduct of the Speaker.

Mr. Harris: I was only announcing the government's intention with respect to government orders. I have no comment to make on the other point.

Mr. Bell: You have to have another breakfast party with the Speaker.

Mr. Sinclair: The audience has seen the biggest ham actor in Canada before it right now.

It being 1.47 a.m. the house adjourned, without question put, pursuant to standing order.

Question

ANSWER TO QUESTION

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

LIVE FISH EXPORTS TO U.S.

Question No. 515—**Mr. Follwell:**

What quantity of live fish was exported to the United States from Canada in the years, 1945, 1950, 1954, 1955, (a) by provinces; (b) by species from each province?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

Information not available. Live fish are not separately classified in Canada's trade statistics.

HOUSE OF COMMONS

Monday, June 4, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. COLDWELL—REFERENCE TO ARTICLE IN OTTAWA "CITIZEN" OF JUNE 2

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I rise on a question of privilege. On page 1 of the Ottawa *Citizen* of Saturday, June 2, the following sentences appear:

> Then, white-faced, but determined, the Speaker moved the next vote. The opposition could restrain itself no longer. Coldwell, shaking his fist, advanced on the Speaker. "You bloody fool," he shouted above the bedlam.

Mr. Speaker, I wish to say that never in my life anywhere, at any time, in any place, have I used those words to anyone. Earlier above the din I had sought to be heard on privilege. I advanced toward the table and I said: "You are a dictator, Mr. Speaker," and I repeated "dictator" several times. Again, let me say that I have never in my life used the foul language attributed to me.

HOUSE OF COMMONS

MR. DREW—MOTION OF NON-CONFIDENCE IN PRESIDING OFFICER OF THE HOUSE

Hon. George A. Drew (Leader of the Opposition) moved:

> In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

He said: Mr. Speaker, this motion is placed before the house with full recognition of the seriousness of the motion itself, and also of the nature of the tragedy that has happened here in this House of Commons.

The Speaker has held the regard, I think I can say without any question the deep affection, of most members of this house. It is with the utmost regret, not only on my own part but I know on the part of others, that a motion of this nature should have become necessary at this time. On the one hand, there is a very real sense of break which has occurred between the Speaker and many members of this house. On the other is the equally deep regret that the high office of Speaker should be called in question.

I need not remind any hon. member here that the office of Speaker is the cornerstone of our parliamentary structure. That name was first formally recorded in the roles of parliament at Westminster in January 1377. For nearly 600 years the name of Speaker has been associated with the authority and dignity of parliament. There have been times when disputes have arisen; there have been other occasions in other jurisdictions when the position of the Speaker has been challenged and when he has been censured for the conduct that has occurred.

At times, in fact, in days gone by the position of the Speaker was an extremely serious post because of the dangers which resulted from the conduct of that office under certain circumstances. It is a lonely office. In one of the many books dealing with the role of the Speaker he has been described as the loneliest man in the house. I do not think there is an hon. member on either side of this house who is not extremely sympathetic with the severe demands which are imposed day by day upon the Speaker, whoever he may be, to rule even without anticipation of what will arise and to rule in a manner which will be acceptable to the members.

I do not think that any hon. member at any time is likely to raise serious issue about a mistake which may be made in the haste of debate and with the infinite variety of possible resolutions, points of order, questions of privilege and other matters which may come before the Speaker for his decision. It would not be upon a question of any mere mistake that the indignation of hon. members of this house would be aroused. Most certainly this motion would not be before the house at this time if it were not for the fact that the continuing confidence in the office of Speaker and the continuing confidence in the present Speaker had been challenged by events of the past few days.

When a statement is made that the rights of parliament are at issue I think it should always be remembered that it is not the rights of the individual members here as individuals which are of importance. What is important is that this is the place where the nation's business is conducted and that what happens here deeply affects the life, the future and the happiness of every Canadian.

House of Commons

We use the words "House of Commons" very often without pausing to reflect upon what those words mean. After all, it is the House of Commons with which we are now concerned. The other branch of parliament is not affected by the discussions here today except to the extent that each one of the members of that other place also has a deep concern about what happens here. The word "Commons" means the people. This is the house of the people.

Sitting on both sides of this house and on both sides of the Speaker are representatives of every constituency of Canada. Collectively, those of us who meet in this chamber represent all Canadians. That is our responsibility; that is our duty. Our rights are important only to the extent that those rights represent the rights of the people themselves. If the traditional rights of the members of this house are debased, limited or arbitrarily curtailed in any way, it is not our rights that are of concern. What is vitally important is that in that curtailment of rights there is a limitation of the rights of the people themselves.

The freedom that we have here to shape and guide legislation, no matter on which side of the house we may sit, is part of the very freedom which we cherish here in his country of ours. It is here in the House of Commons, to which all the people of Canada must look for just laws properly considered and properly made, that Canadians in every part of Canada must look for the greater part of their freedom and for the assurance of that type of government which will be in itself an expression of the freedom which has come down to us through so many generations of sacrifice and of tremendous effort.

It is with that thought that I submit that we should discuss what has taken place and that we should place before this house the problems which now confront us. The ceremony we witness every day at the opening of the house symbolizes the long historic background of the authority, position and tradition of the Speaker. The mace, which is placed upon the table when the Speaker occupies the chair, is an expression of all the great and honourable things wrapped up in this high office which means as much to every one of us as it does to the occupant of the chair himself. I repeat again, that system was not designed for the advantage or convenience of the members of parliament. It was designed for the protection of the freedom of the people of Canada.

What has happened here is something which goes to the very roots of our free institutions. It is something which could affect, and gravely affect, the rights, the freedom and the happiness of Canadians not only for generations but for centuries to come. We all know that we follow the traditions of Westminster and it is, therefore, of importance to us when we examine the position of Speaker that we should recall the history of that office at Westminster, and we should remember that the position of Speaker in the British parliament, before we had any parliament in Canada, had come to represent an institution unique in the annals of parliamentary government. In fact, the independence of the Speaker, as it has been established over long years at Westminster, grew out of the fight between the crown and the members of parliament in the reign of the Stuarts.

Some may wonder at times why we go through the rather cumbersome procedure by which parliament is opened and also why we see the mace removed from the table when the Speaker leaves the chair and placed below the table when the chairman of the committee of the house proceeds to take over. This practice stems from the fight through the Long Parliament in the time of Charles I. The members of parliament suspected that the Speaker was the King's man, and in point of fact they had good reason for entertaining such suspicion. Therefore, when money bills were before the house these assumed special significance. They refused to discuss money matters until the Speaker had left the chair and one of their own members could become chairman of the committee. It was out of that simple and historic fact that this practice and this tradition grew. It has developed as part of their tradition in Britain that the Speaker is not in any sense beholden to the government for his appointment or his continuance in office. We know that there is a different practice there. However, the rules and the traditions are mainly the same. Our own are set out at some length in Beauchesne's, third edition, at pages 52 and 53. I quote paragraphs 105 and 106:

105. The presiding officer, though entitled on all occasions to be treated with the greatest attention and respect by the individual members, because the power, and dignity, and honour of the assembly are officially embodied in his person, is yet but the servant of the house. He is selected and appointed to the trust of presiding officer, in the confidence and upon the supposition of the conformity of his will to that of the assembly.

106. The Speaker's duty as the official mouthpiece of the house is extremely well expressed in a few words by Mr. Speaker Lenthall, who, when that ill-advised monarch, Charles I came into House of Commons, and having taken the Speaker's chair, asked him "whether any of the five members that he came to apprehend were in the House, whether he saw any of them, and where they were?"—made this answer:—"May it please your majesty, I have neither eyes to see, nor tongue to speak, in this place but as the House is pleased to direct me, whose servant I am here,

and humbly beg your majesty's pardon that I cannot give any other answer than this, to what your majesty is pleased to demand of me."

There are three branches of government here, in Britain or in the other nations with a similar parliamentary form. If the Speaker of the Canadian House of Commons or of any other house of commons under our traditions is in any way subservient or beholden to the government, the situation is not in principle different from that which the members of the Commons in England faced when the Speaker was beholden to the King. When you, Mr. Speaker, assumed your office on November 12, 1953 you expressed what we all believe to be the true function of impartiality on the part of the Speaker of this house. These were your words as recorded in *Hansard* of November 12, 1953 at page 3:

The honour which is being bestowed upon me is high indeed, but greater still are the responsibilities. I beseech Divine Providence to grant me all the help necessary for the fulfilment of my duties, in accordance with our noble traditions.

My dear colleagues, it is my duty to maintain decorum and order in debate, to preserve our traditions, privileges, liberties, usages and customs and, in particular, to exercise impartiality and fairness and protect the rights of every individual member. My experience as Deputy Speaker has amply shown me that only with your advice, counsel and co-operation can I succeed in my new task. I shall, I assure you, strive to deserve your effective support, and endeavour at all times to prove myself worthy of your trust.

It is, I believe, true to say that the eyes of other nations, more than ever before, are turned towards Canada. Therefore, I realize that the dignity of this high office and the reputation of our parliament must be most carefully safeguarded, and I shall govern myself accordingly.

I pray to Divine Providence for all assistance necessary so that I shall be able to fulfil my duties in a manner that will do justice to you and this house, whose servant I am.

I said that we have held the Speaker in respect and affection. We echoed, in our own hearts and minds, those words which the Speaker uttered at the time he took this office. It would have been our desire, the earnest desire of every one of us, that the relationship which existed for so long had continued unimpaired. It would not be possible for anyone to pretend that it has been only in these few days that questioning has arisen, and that uncertainty has beclouded that relationship which we desired, just as much as did the Speaker himself.

During this present session it must have been recognized that there has been a steady deterioration in the relationship of the occupant of that high office and many of the members in this house. I should like to emphasize that long before there was any open criticism in this house there was widespread criticism in the press of the conduct of the Speaker in the performance of his duties. That was not good for Canada; that was not good for the people of Canada whose servants we all are. It could have been overcome. Even though the criticism had raised some questioning, it could have been overcome if the Speaker had listened to the advice which was being given to him outside the house as well as inside this house.

Unfortunately for all of us the criticism emerged openly in the house during the debate on what we have come to know as the pipe-line bill. It came to a head last week. *Hansard* records several expressions of that criticism on earlier occasions, but it was during the last two days of the past week that all the criticism was brought into focus by events which every member in this house must greatly deplore. I know that for all of us the last two days and the past week are days we would like to erase from our memories, erase from our hearts, erase from the records that are kept of the proceedings in this house. But, unhappily, that cannot be.

Therefore, it becomes necessary to review what did take place and to consider what our position is in relation to those events. On Thursday night the hon. member for Nanaimo (Mr. Cameron) raised a question of privilege shortly after nine o'clock. He spoke of two letters which had appeared in the Ottawa *Journal*. He was given permission to read those letters. It was open to the Speaker at that time to rule that a question of privilege sufficiently important to be discussed in that way had not been raised. That he did not do. On the contrary, the Speaker found that there had been a question of privilege. In fact, he aided in the drafting of a subsequent resolution which came before the house on Thursday night.

So that the words may appear in their context with what I am saying now, I would recall that on page 4529 of *Hansard* these words of the Speaker and the hon. member for Nanaimo appear:

Mr. Speaker: No. If the hon. member complains about a newspaper, the procedure is to send the newspaper to the Clerk so he can read it and it will be inserted in the *Votes and Proceedings*, and he must conclude with a motion that the content of the article is of a malicious intent, in contempt of parliament and a breach of privilege and therefore deserves the censure of this house.

Mr. Cameron (Nanaimo): My proper order is to send this to the Clerk of the house now, is it?

Mr. Speaker: Provided that the hon. member wishes to go through with the motion I have indicated.

Mr. Cameron (Nanaimo): I have called this to the attention of Your Honour and—

Mr. Speaker: Order. The hon. member must understand that if he wishes to make a complaint against a newspaper he must, on a question of

privilege, do it in the proper manner, and that is not to stand up only and call it to my attention, but to send the paper to the Clerk who will stand up and read the paragraph complained of, which will be inserted in the *Votes and Proceedings*; and the hon. member must conclude his question with a motion stating that the article complained of is in breach of privilege and deserves the censure of this house.

Mr. Cameron (Nanaimo): Yes, I will do that. Do I send this to the Clerk now, Your Honour? Do I read it first?

Mr. Speaker: The hon. member was going to indicate what is the paragraph he is complaining of.

Then there was a further exchange, the letters were read, and on page 4531 the following is recorded in *Hansard:*

Mr. Speaker: Mr. Cameron (Nanaimo), seconded by Mr. Ellis, has moved that the statements in the Ottawa *Journal* of May 30 and 31, as just read by the Clerk, are derogatory of the dignity of parliament and deserve the censure of this house.

Some hon. Members: Agreed.

Mr. Speaker: Is the house ready for the question?

Then at that point a debate proceeded on the motion which had been presented.

Now, Mr. Speaker, that situation was where we left off on Thursday night. I rose to speak and had spoken for a short time when the house adjourned at ten o'clock on Thursday night. Then we met on Friday morning at eleven o'clock, as recorded in *Hansard* at page 4537. We find that the very opening words of the record are as follows:

On the order:

Resuming the adjourned debate on the motion of Mr. Cameron (Nanaimo), that the statements in the Ottawa *Journal* of May 30 and May 31 are derogatory of the dignity of parliament and deserving of the censure of this house.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker—

I had then risen to speak continuing the debate which had started the night before. Mr. Speaker then rose and this is what he said as recorded in *Hansard:*

Mr. Speaker: Usually the deputy clerk reads the order, but I rise at this moment in order to deal with this order which appears under "Motions" as follows:

Resuming the adjourned debate on the motion of Mr. Cameron (Nanaimo), that the statements in the Ottawa *Journal* of May 30 and 31 are derogatory of the dignity of parliament and deserving of the censure of this house.

I have read carefully the articles complained of and I have come to the conclusion that because of the unprecedented circumstances surrounding this pipe-line debate and because of the remarks that were made in this house by members themselves, it was and it is impossible, if we are to consider freedom of the press as we should, to take these two articles as being breaches of our privileges. It is my opinion that if it had not been for some of the insinuations or attacks directed perhaps to one another or the Chair or to the occupants of the chair, these articles may not have been written. I think we should settle our problems among ourselves and that those who outside of this house, either in editorial comment or by letters to the editor, write what I consider to be—and this is the case of these two articles—comments which do not go beyond the bounds of unfairness, I think they should be allowed. Therefore, I rule the motion made by the hon. member for Nanaimo out of order. Do hon. members wish to appeal?

Mr. Speaker, that was an unprecedented action. No one on the government side of the house had challenged this motion when it was presented on Thursday night. The debate had proceeded without any challenge from anyone. The Speaker made some point on Friday of the fact that as he is the servant of the house it is the house which must decide. The house had decided on Thursday night by its acceptance of the motion without any question being raised that this was a matter that was to be taken under their consideration. It had become seized of the issue raised in that motion. The merits of the motion, until some new motion had been presented, were not in question before the Speaker. It was in the hands of the hon. members of this house. The Speaker had not only accepted but had guided the framing of the resolution which introduced this debate. There is no precedent of any kind in this house or elsewhere for such action as was taken. Not only was there no motion but there had not even been a question raised in the house about the propriety of the course that had been followed on Thursday night, nor as to the propriety of proceeding in the usual way with that debate.

Under those circumstances I submit it was not the Speaker's right to withdraw this matter from the house. The supreme authority to which he referred on Friday had accepted that motion. It could only have been withdrawn properly by a decision of the house itself upon some other motion properly presented. The Speaker could not have done that; the Speaker cannot present a motion. Whether or not the motion would have been in order, the government might have presented a motion and it might have been debated. It certainly should have been debated if decisions made the night before were to be reversed.

One of the most serious aspects of this strange course was that when I attempted, as did many other hon. members, to be heard in regard to this matter on a point of order the Speaker refused to hear a word from any member in regard to this completely strange device which had been employed or which was then under consideration. At the moment the Speaker called the vote without permitting any point of order to be raised or any discussion whatever on the proceedings which were taking place, at that moment confidence in the Speaker disappeared in the minds of many members of this house.

Then, as though this were not enough in itself, as though this were not defilement of our rules sufficient for one day, the Speaker after the vote on that decision had been taken announced that he found he had made a mistake in the ruling he had made about 5.15 p.m. the day before and for that reason all subsequent proceedings should be declared a nullity. Mr. Speaker, there can be no precedent for any such course. This is what the Speaker said, as recorded on page 4539 of *Hansard*:

> I said earlier that I am prepared to take full responsibility before this house and before the country for what I am doing. I consider—and I have thought very seriously about this—that yesterday around 5.15, when I was called back to the chair for the purpose of receiving the chairman's report, I made a very serious mistake in allowing the point of order and the other dilatory motions; and I feel that the house should not suffer any prejudice or detriment on my account. I want to say this to hon. members—it has been said very often—the rules of this house are devised in order to protect the minorities; yes, they are. But I will add the counterpart to that. I will say—and the authorities support me in this—that the rules of this house are devised to protect minorities against the oppression of the majority and the majority against obstruction by the minority.
>
> Now, the house is master of its own rules and it is my right to submit a matter to the house. I intend at the moment to submit to the house that, in my view, the house should revert to the position where it was yesterday when I was brought back to the chair to receive the chairman's report at 5.15. I submit to the house that the intervening proceedings should not be superseded, and it is up to the house to decide as to the situation which I take at the moment.

It is difficult to read those words again and realize that they were in fact uttered by a Speaker of this house. There is no precedent for any such reference to a statement of that kind. There is no precedent for the Speaker saying, "I made a mistake some time ago and because I made that mistake everything that has happened in the intervening period is a nullity." On earlier occasions, perhaps unnecessarily, the Speaker has referred to times some distance back when in his opinion on later reflection he felt that he had made a mistake. If this practice were to be permitted, then if the Speaker found that on January 11, the day after this house opened, he had made a mistake it would be appropriate for him to declare that everything which had happened since then would be a nullity and that we should wipe out everythink that had taken place. There is no difference in principle between saying that everything that has happened since 5.15 p.m. yesterday will be wiped out and saying that everything that has happened since January 11 will be wiped out.

What might have been more appropriate still, if in fact such a strange procedure as this were ever accepted as part of our proceedings in this house, would have been for the Speaker to have gone back to a week ago Friday because there might well have been some consideration of the strange decisions which were made on that day.

In order to test the propriety of the course which was undertaken at that time, just let me submit it to one proof. The Speaker said that it is for the house to decide. What he meant by that of course was that it is for the majority to decide. I have been in different legislative bodies and I have been on the government side as well as on the opposition side. I have asserted strongly the rights of the opposition and I hope I am just as fully aware of and just as ready to concede the rights and the duties of the government. When the Speaker declares in his oath that he is the servant of the house he is declaring that he is not merely the servant of the majority but that he is the servant of all members. That is the bedrock upon which respect for our parliamentary system rests.

When the Speaker said that the house should not suffer because of his mistakes, let us consider if he was not actually saying "the government must not suffer in its arbitrary course by what I do." That was what he really meant. That is the only interpretation that can be placed upon the words. That was the effect because the Speaker was not prepared to listen to a single argument as to why this course was not proper. Members on the opposition side who were affected by this course had no opportunity to say why this was so improper. I ask the Prime Minister (Mr. St. Laurent), I ask members supporting the government, what they would say if the Speaker picked up something which had been adverse to the opposition say a week before and then had said, "in spite of all the government business that has been done I am not going to let the opposition suffer by my mistake and am going to declare as a nullity all that has taken place."

Mr. Speaker: I do not want to intervene in any way in the presentation of the hon. Leader of the Opposition (Mr. Drew), but I know he wants to be fair. It strikes me that when he puts forward the contention that when I said that the intervening proceedings should not be superseded I meant by that that all that had taken place from 5.15 on Thursday until Friday should be declared a nullity. I see that there is a serious misunderstanding of what I said or intended to say. By "intervening proceedings", as mentioned on page 4540, were meant the proceedings which appeared on the order paper as being first readings of Senate public bills,

government notices of motions. At the time I was trying to bring the house back to government order No. 2 on Friday and I wanted to do it before first readings of Senate public bills and government notices of motions were taken. I did not want these orders to be superseded by the course of action that I was taking. Then the hon. member for Winnipeg North Centre (Mr. Knowles) said, "No, let us go to first readings of Senate public bills and government notices of motions, and then when we reach orders of the day the matter can be brought up." But I want to say that it was not my intention to say that the proceedings that had taken place on Thursday should be declared a nullity.

Mr. Drew: Mr. Speaker, I submit that what was said is open to no other interpretation. The words referred to what happened at 5.15. These are the words that are recorded at page 4540 of *Hansard*:

> I submit to the house that the intervening proceedings should not be superseded . . .

That means that for all practical purposes they become a nullity. We were then carried back by that extraordinary device to the position in which we were at 5.15. I do not believe that any word that I have said in any way stretches the effect of what took place at that time. I submit again that in this case, as in the other, there was no precedent for what occurred.

Whatever the intention may have been, and it is not for us to interpret intentions, the result certainly was not open to question. By that advice, upon which there was allowed no comment and no debate to show what a dangerous precedent this would establish, the way was clear for an immediate presentation of a closure motion which the government wished to have placed before this house. Whatever the intention may have been, whatever the motives were, the Speaker in that act subordinated the rights, the traditions and the practices of parliament to the will of the government. It is almost unthinkable that at such a moment, and with something so strange and new placed before the members here, the Speaker would not hear a word, to protect himself, as to why he should not do this. He declared when he became the Speaker that he sought the advice of parliament. I know that on that occasion he did not mean to suggest, and did not suggest, that he was seeking alone the advice of the government and its supporters. I am sure he meant that he sought the advice of all members. One of the reasons members are permitted to rise on points of order is so that the Speaker may have advice from every part of the house on questions set up before the house. That adds to the seriousness of all that has occurred.

If there were any justification for this course, then I submit again that it would be equally proper to follow that course in relation to some event a week earlier, a month earlier or even longer. The very fact that this would be the natural result, in itself, indicates the seriousness of what has been done. I repeat, need there be any doubt about what the government would have done if the Speaker had followed such a course and had said, as he might well have said with equal validity, that he had made a serious mistake on the previous Friday, when events occurred which are equally distasteful to the memories of every one of us? If any question the indignation expressed by the members of the opposition, just let them ask themselves what the indignation of the government would have been if the Speaker had followed the same course and it affected them as we were affected by these proceedings. It is not difficult to imagine the indignation that would have been aroused. The very suggestion of that in itself deals with the question as to whether there conceivably could be justification for this course. It was indeed black Friday for this house and for the people of Canada. The damage that was done cannot be undone.

The government cannot divorce itself from the tragic downfall of the Speaker on this occasion. He is the victim. He is a casualty of the government's overbearing conduct during this debate. We had done what we could do to prevent the government proceeding on the arrogant course which has produced this sorrowful result. That was our only recourse; that in fact was our only right. It was the duty of the Speaker to protect our rights just as it was his duty to protect the rights of the government.

Whatever may be said of the ugly things that happened here last week, I think it can be said with certainty that every hon. member is equally sorry that they ever happened. No hon. member of this house will want to see a repetition of the turmoil into which this house was thrown last Friday. Let it be admitted immediately that we all share some responsibility for that turmoil. We all took part in it. We can have no happy recollection at any time of that sad event. May I point out, however, that, confronted as we were with a rigid denial by the Speaker of our fundamental rights to be heard in regard to these issues, we had no course open to us but to register our anger in the way we did.

Some hon. Members: Oh, oh! Hear, hear.

Mr. Drew: Were we quietly to submit in the face of this course that savoured in every way of the dreadful dictatorships that have grown up in Europe in these past few years? It was Junius who said that the subject who is truly loyal will neither advise nor submit to arbitrary measures. The subject who is loyal will neither submit nor advise. We were not prepared to submit to as arbitrary measures as ever denied to the sitting members of a legislative body the rights to which they were entitled by tradition, by the rules and by all the declared purposes of this parliament. Mr. Speaker, this subject now is before the house. It is before the people of Canada. But, above all, it is now for the government to consider the course that it has followed and what it should do to deal with so grave a situation, with a situation which threatens the future of this house and of the rights of the people themselves as represented by the members here.

Under our system of government the Prime Minister (Mr. St. Laurent) must assume the first responsibility for all that happens under the government he leads. The fact that the course which led step by step to this inevitable result was initiated by the Minister of Trade and Commerce (Mr. Howe) in no way limits the responsibilities of the Prime Minister as head of the government. For all that happened here last Friday the Prime Minister must accept the responsibility. Most of us have little but sorrow in our hearts for the plight of the Speaker who was the victim of the government's action.

The Prime Minister could have prevented the dreadful scenes we witnessed here if he had asserted his authority along the lines of our parliamentary traditions. The Prime Minister saw where all this was heading. Starting with the motion of closure presented when the resolution was introduced that it was expedient for the pipe-line bill to come forward and following through step by step when the other arbitrary motions were presented, the Prime Minister saw what was happening in the house and he should have foreseen, as could be foreseen, what the consequences of that erosion must certainly be. I am not seeking for a moment to leave the impression that the opposition did not contribute to the disturbance, as did all the members on the other side. I repeat again, however, that we used the only weapons that we had as free men and women to bring to the attention of this house and to the attention of the people of Canada the disgraceful denial of our rights which had taken place.

We had no choice but to assert our rights as we did. We had no choice, moreover, but to bring this matter to a head by the motion that is now before us. It is not necessary to enlarge upon the facts. Many incidents could be cited where step by step during these recent weeks we have gone along the course which has led to such a serious result. One truth does emerge, however. Deep are the wounds that have been inflicted upon parliament, and nothing that the Speaker can now do, nothing that the government can do, can restore this parliament to the atmosphere, to the state of mind, to the manners and to the decencies which existed here before these dreadful events occurred. I should like to quote words written by the great Gladstone in 1878 and published in the *North American Review* in the issue for September and October of that year. He said:

> It is a cardinal axiom of the modern British constitution that the House of Commons is the greatest of the powers of the state. It might, by a base subserviency, fling itself at the feet of a monarch or a minister. . . . The commons are armed with ample powers of self-defence. If they use their powers properly, they can only be mastered by a recurrence to the people, and the way in which the appeal takes effect is by the choice of another House of Commons more agreeable to the national temper. Thus the sole appeal from the verdict of the house is a rightful appeal to those from whom it received its commission.

Here we had no power of self-defence. We have none but to declare what we believe to be the rights of the people of Canada and their representatives here in this house. We shall not be subservient to false interpretation of the rules. We shall not be subservient to anything that savours of dictatorship here in this house. We shall not be subservient to the will of the majority expressed by the Speaker, as it has been in this case, in a manner which no longer seeks to define the right of the majority but establishes for the time being mob rule.

I said before that I can only express sorrow for the plight of the Speaker on this occasion. The Prime Minister has the responsibility. He could have prevented this happening. He can prevent anything of a similar nature happening in the future. A partisan vote on the motion now before us will not relieve the unhappy situation in which we now find ourselves. Never before has this house been faced with so serious a situation. Never before were members of this house conscious as they now are that something good, decent, precious and valuable has been destroyed. There is only one way this situation can be relieved. I appeal with all

the earnestness I possess to the Prime Minister as head of the government to follow the only course which will restore the dignity, honour and traditions of parliament. That course is to dissolve this house and let the people elect a new parliament more in harmony with our traditions and concepts of government. To let this motion go to a vote that divides the house denies the very basis upon which the Speaker occupies the chair.

It has long been our tradition that the Speaker is the unanimous choice of the house. Let there be no uncertainty about the fact that the Speaker is not the choice of most of the members on this side of the house at this time. The situation can only be cured by the course that has been suggested. It can only be cured in the manner that was so well set out by Gladstone as long ago as 1878. That I believe is now the compelling duty confronting the Prime Minister of Canada (Mr. St. Laurent).

I support the motion that is now before the house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I think all of us today assembled in this chamber realize the serious situation with which this house and the members of this house are confronted. I join with the Leader of the Opposition (Mr. Drew) in saying that, in my opinion, the introduction of this motion is something of a tragedy. I remember very well what took place about a year ago when a group of members of parliament in my office were discussing parliament and what had transpired. Among other things, we came to the conclusion that the time had arrived when this house might choose a Speaker who would preside over the house not for one parliament but for a number of years; and each and every one of us—may I say we were not of the language of the present Speaker of the house—were of the opinion that the present occupant of the chair at the end of this parliament should be offered that position on a long-term basis. I therefore say that what has happened at this session—and particularly what happened during the present debate—is indeed a tragic circumstance.

Quite early in the debate, Mr. Speaker—as no doubt you knew from a casual remark I made in the house—I thought that some of your rulings were partisan, and I so expressed myself to some of my friends on both sides of the house. As the days went by I felt that instead of there being protection of the rights of the minority, the majority opinion—that is government opinion—must of necessity prevail. I was saddened by that thought but then, as the time passed and various other rulings occurred and members who rose on this side of the house were denied the right, now and then, which I thought was legitimately theirs to express their opinions on points of orders, that feeling turned more or less to anger.

I join with the Leader of the Opposition in saying that I am sure all of us regret the scene in this house last Friday afternoon. The bells were ringing even after some of us had risen to try to get a word in on a point of privilege which we felt was justifiable at the time. Members were called in to vote, I thought, without being given the opportunity to express themselves on a point of order or a question of privilege that I believe was really valid. I felt that the division had been hurried along in order, once again, to prevent those expressions of opinion that should have been heard by the Chair.

The Leader of the Opposition has, I think, fairly well expressed the view of those of us who felt that way. I think he has dealt with this problem. I have often disagreed with the Leader of the Opposition and probably on occasions shall do so again; but this afternoon I thought that the manner in which he dealt with this situation was a credit to him. He dealt with it in a statesmanlike and dignified manner and I hope that the example he set will be followed by all of us. He dealt with the events of Thursday evening and of Friday. I want to say just a word about that matter because I think that was the crucial point at which the opposition was really aroused. On Friday morning, as reported at page 4540 of *Hansard*, the Speaker said this:

> . . . yesterday around 5.15, when I was called back to the chair for the purpose of receiving the chairman's report, I made a very serious mistake in allowing the point of order and the other dilatory motions; . . .

He then goes on to speak of the rights of the majority, with which I have no quarrel as long as the rights of the minority are safeguarded. Then he went on to say this:

> I intend at the moment to submit to the house that, in my view, the house should revert to the position where it was yesterday when I was brought back to the chair to receive the chairman's report at 5.15. I submit to the house that the intervening proceedings should not be superseded, and it is up to the house to decide as to the situation which I take at the moment.

As has already been said, Mr. Speaker, this was a most unprecedented request to the house. Indeed it so surprised me that, as reported on the same page, I called out as loudly as I could, "What are you doing, Mr. Speaker?" I did so because I felt that what was being done was something that was going to stifle parliament in the future, change our procedure in the future, and make it possible on some other occasion for a Speaker to rise in his place and say that

the business which had been done heretofore should be wiped out. I thought that was a most unheard-of procedure.

Then later on the Speaker spoke of placing a proposition before the house. There was, of course, one way in which the Speaker could have got his views before the house, and that way has already been indicated. He could have got some member of the house to move an appropriate motion or to give notice of an appropriate motion. That was the proper procedure to follow if it was desired to make a change in what had already been done.

I am not going to speak very long because, as I have indicated, I do not think that any of us like the position in which we find ourselves. We do not like the breaches in those personal friendships that have been established over the years in this house. Some of us do not like the feeling that we have perhaps lost respect for one another. In this connection I should like to feel that we could go back to the position in which we found ourselves three weeks ago and wipe the slate clean. But that cannot be done. We must face up to this situation. There is no doubt, Mr. Speaker,—as the Leader of the Opposition has said—that no matter what we may do or say for the balance of this parliament, the Speaker has not the confidence of the entire house, something which is so necessary to conducting the business of this house. I agree with the Leader of the Opposition that, under these circumstances, there is only one way out. Regardless of our individual fortunes in an election period or of our party fortunes, I think that way out should be undertaken. It is the only way. I think that way should be taken in order that a new House of Commons might assemble in a few months' time; in order that that new House of Commons could come here with a new and fresh feeling; and in order that we might once more in this house establish the kind of atmosphere which has prevailed during most of the 21 years that I have been in this House of Commons.

I may say, Mr. Speaker, that this perhaps is unprecedented in our parliament. Of course, Mr. Gladstone refers to some of the turmoil in the British House of Commons, where events similar to those of last Friday have not been unknown even in the past half century and less. But it is today a great misfortune that we have to face the situation with which we are confronted. As the Leader of the Opposition (Mr. Drew) has said, and let none of us deny it, some responsibility rests on all of us.

The other afternoon I rose to speak and the shouting and so on from those on the other side was certainly enough to make one feel rather angry. I wish that I had suggested what I think might have been a way out at that time. In view of the tempers of hon. members of the house, the sittings might have been suspended while we cooled off a bit. But that was not done. So, we support the motion of the Leader of the Opposition. I suppose that it will be a vote directly along party lines. That seems to be indicated, and that is unfortunate. I know the feeling of my own friends. The Leader of the Opposition has indicated the feeling of his friends, and there is no doubt that there is no way out other than for the Prime Minister (Mr. St. Laurent) to dissolve this house and go to the country so that a new parliament, with all this sort of thing wiped out, may be assembled within the next few months.

Mr. Victor Quelch (Acadia): I have listened with attention to the two previous speakers, and I agree with the leader of the C.C.F. party that the present situation is an unfortunate one. Let me say right at the start that I do not like the motion that is before the house. The suggestion that the government should resign as a solution is, of course, a suggestion that the government should surrender to the minority.

I listened to the Leader of the Opposition (Mr. Drew) and it seemed to me that his main weapon was that of exaggeration. It is true that he was able to keep himself fairly well controlled, mainly no doubt because there were no interruptions. He referred at length to what transpired in this house on May 31 and June 1. I would say that what transpired on Thursday and Friday cannot be judged by those days alone. It was the culmination of days of lawlessness in this house; shouting and defiance of the Speaker. I am not surprised that the Leader of the Opposition would say he would like to forget those days. It is not easy to forget what transpired in this house during that time. There was the phony display put on by the hon. member for Eglinton (Mr. Fleming) and action taken to deliberately force this house to expel him. We will not forget that. Hon. members can groan, but they should have been groaning at that time and not now.

Mr. Fleming: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Eglinton rises on a question of privilege.

Mr. Fleming: The hon. member for Acadia (Mr. Quelch), Mr. Speaker, has just made two remarks which are a grave offence against privilege and a falsification of fact. He has referred to a "phony display" and has also

said that there was, on the part of the hon. member for Eglinton, an attempt to bring about a certain course of action that the house took. Mr. Speaker, there is not a measure of truth in one word, one syllable, one letter of what the hon. member said or what was said in my absence on Friday night by the hon. member for Iles-de-la-Madeleine (Mr. Cannon).

You know, and most members of this house know deep down in their hearts, that no member of this house was more surprised than I that the government took the partisan and vindictive course it did. The hon. member for Iles-de-la-Madeleine said, speaking on Friday night, that I had defied the Speaker. There was no defiance of the Speaker. He said also that the action on my suspension was the action of the chairman. It was nothing of the kind. My suspension was due to one thing and one thing alone, a government motion introduced by the Minister of Finance (Mr. Harris), the government leader. The first vote cast to suspend the hon. member for Eglinton was cast by the Prime Minister (Mr. St. Laurent). There was nothing premeditated. No one was more surprised than I.

The immediate situation that brought this about, as hon. members will remember, was one in which the Deputy Speaker of this house had said, while he was standing on his feet, he would not hear me on either a point of order or a question of privilege. He did hear the hon. member for Winnipeg North Centre (Mr. Knowles) and he did say, at the very same time and under exactly the same circumstances, that he would hear my colleague the hon. member for Greenwood (Mr. Macdonnell), but he would not hear me. That was the situation, and that was the fact. Any member, whether in this house or outside, who says I sought to provoke this suspension, had any idea that it would be made or made a show here for the purposes of publicity commits the most vile kind of falsehood. Let there be no mistake about that.

I just make one further observation. It has been said outside the house by the hon. member for Timiskaming (Mrs. Shipley) that there was something very strange about the appearance of the flag. I want to say this. When I took my departure from the house that day following the passing of this partisan and vindictive motion, I did not know there was any flag going to be put on my desk.

Some hon. Members: Oh, oh.

Mr. Fleming: I will say this to remind hon. members, who seem to have forgotten the fact, that the discussion of that motion and the point of order that preceded it lasted for at least one hour. Let there be no doubt in anyone's mind that there was plenty of opportunity for any hon. member so disposed to find a flag in this building and bring it to the chamber.

Mr. Speaker, the ninth of the Ten Commandments says, "thou shalt not bear false witness against thy neighbour". I commend that to some hon. members.

Mr. MacInnis: Mr. Speaker, I do not like to stop anyone talking on a question of privilege or any other question, but it seems to me that if there was a question of privilege to begin with it disappeared long, long ago.

Mr. Quelch: Mr. Speaker, so far as the point the hon. member has raised is concerned, I will just say this. I will allow those hon. members who sat in this house at that time to decide whether or not the statement I made was correct. We had the display put on from time to time by the hon. member for Kamloops (Mr. Fulton). I could not help thinking at the time that probably the hon. member had taken so much time in reading crime comics he had absorbed the mentality of a juvenile delinquent.

The Speaker of this house is the unfortunate victim of circumstances that were not of his making. I think that this is something we must keep in mind at all times. He was not responsible for the situation that developed in this house during the past few days. I think most of us will agree, and the Leader of the Opposition has already stated it, that he had earned a fine reputation for impartiality and for fairness. I would say that he invariably leaned over backwards in order to meet the requests of the opposition, and it was probably that very action that got him into trouble in this debate. It is a very fine way to act in normal times but you cannot act that way in times of lawlessness because those who are committing those acts will take advantage of that type of leniency.

Let me go back to May 9 when this matter first came up. The opposition has blamed closure for their obstruction but of course that is not true. It started several days before the motion for closure was moved; that is, when the notice of motion first appeared in *Votes and Proceedings* on May 9 it started and it continued on May 10, a long procedural wrangle with four divisions, and then resumed again on May 14 when two more divisions and more wrangling took place. Finally, when the Minister of Trade and Commerce spoke, he moved closure, no doubt because the government realized that so long as the opposition was going to

continue that type of wrangling and obstruction there would have been no hope of ever getting that bill through without closure.

Again I stress the fact obstruction started first and closure followed. The opposition then became angry as a result of closure being moved, but unfortunately instead of fighting the government or the measure they should have fought they vented their spleen and their spite upon the Speaker, the Deputy Speaker and the chairman, and in my opinion that was a cowardly procedure to follow.

Since then they have tried to dictate to parliament. They have tried as a minority to tell the majority how the affairs of this house should be conducted. We have seen in other countries what happened when a minority is allowed to dictate to the majority. We saw that when Hitler was borne to power, then Mussolini was borne to power, and we have seen it in Russia, and we do not want that kind of thing to happen in this country. You cannot appease that type of mentality. Every time you appease that type of mentality they want more concessions.

Instead of debating the legislation before us the opposition staged a number of attacks against the Speaker, the Deputy Speaker and the chairman. It has been said by those on my right that we in the Social Credit group have nothing to talk about in relation to this matter because we filibustered the Bretton Woods agreement and on the rivers bill; but let me point out that there is a great difference between the filibuster we staged and the one we have witnessed in this house during the past two or three weeks. When we opposed the Bretton Woods agreement and the rivers bill we attacked the legislation. We did not at any time enter into a procedural wrangle and we never defied the chairman or the Speaker.

An hon. Member: Nor did we enter into the debate by insult.

Mr. Quelch: In my opinion the Speaker has always been lenient in listening to advice on points of order and unfortunately instead of appreciating that the opposition has abused it.

Now, the resolution before the house reads:

> In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion;—

We in this group are of the opinion that on Thursday the Speaker did make a mistake in rendering his decision regarding the point brought up by the hon. member for Nanaimo (Mr. Cameron). If that situation had been left as it was then it would have created a precedent that would have brought chaos into this house in the future. It would have meant that at any time any hon. member in this house disliked legislation the government sought to introduce and wanted to obstruct it, all he would have to do would be to get a friend of his to write a letter to the press and then bring it up, as did the hon. member for Nanaimo, and we would have obstruction without end because every time a letter is written to the press it could then be raised as a point of privilege in this house, and there would be no end to those points of privilege. The situation being what it was, I think the Speaker was fully justified in taking the action he did on Friday.

The resolution continues:

> (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard;—

I would say that just the opposite is the truth. The opposition were not satisfied with impartial treatment but wanted the rules to be twisted and warped in their favour. The third point in the resolution reads:

> (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

I am of the opinion that what the opposition really wants is for the rights of the majority to be subordinated to the will of the minority, and therefore, Mr. Speaker, in the light of all the facts, I look upon the action of moving this resolution as extremely despicable and we intend to vote against it.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there is no doubt that we are faced this afternoon with a most unusual situation. I must say that I have no quarrel with what the Leader of the Opposition said in his opening remarks for practically the first half hour during which he spoke when he described the high office of Speaker, the fact that it represented the dignity and authority of the House of Commons, and when he recalled some of the historic events which are associated with the ceremonies we still follow. I am sure that some of his other views every hon. member of this houses shares. There is no doubt, sir, that you have had—and I submit that you still have—the affectionate consideration and regard of most hon. members of this house.

There has been before the house for the last three or four weeks a very contentious measure about which we had been informed —perhaps we should not take into account what was said outside the house—but about which we have seen demonstrated in this house a very firm determination to have the will of the minority prevail over the will of the majority in the house by preventing the

majority from having an opportunity to manifest its will in accordance with our constitutional principles.

This has not failed to be obvious to persons outside the house. I have here a clipping from the Montreal *Star*—not an unimportant newspaper in this country. It is from its edition of May 30 and is headed "The Speaker's Dilemma". It reads in part as follows:

> The Speaker's first duty is to keep the business of the House of Commons moving smoothly. When the opposition embarks upon a planned campaign of obstruction, it is obvious that the Speaker (or, in committee of the whole, the chairman) will become a target of attack—

Not because of the qualities of the Speaker or the chairman but because of the fact that there is a contentious measure that is being opposed by all means that can be devised under the rules of the house to bring about delay and to waste time.

The editorial continues:

> Every restriction on debate, from the sharp weapon of closure down to the hour-by-hour rulings of its presiding officers, is challenged in extreme terms—so extreme indeed that they arouse laughter and contempt among the thinking public which is not so dumb as to believe that free discussion is being slaughtered.

I think the concluding paragraph should also be put on the record. It reads:

> As to Mr. Beaudoin's present unhappy position, a study of recent *Hansards* reveals an extraordinary patience and courtesy in dealing with a series of heated situations. He has proved himself to be a good Speaker. When the present row is over, and tempers have cooled off, it would not be surprising to hear compliments about his conduct from the opposition benches.

What is it that has brought about the unfortunate situation in which we find ourselves at this moment? On Thursday I made a motion to apply closure based upon a 1932 precedent. A point of order was raised by the hon. member for Kamloops (Mr. Fulton). That was one point of order in this whole long series to which I took no exception whatsoever. I did think that when the government was resorting to a procedure so rarely used as standing order 33 has been, and when there were two precedents which might be applied, it was a quite proper question to raise as to which was the really valid precedent. I am sure that all hon. members on both sides of the house will admit that we on this side listened with great respect to the arguments presented from the other side of the house. I attempted to present an argument in support of the precedent we were invoking. In due course, and not until every hon. member who desired to speak on the point of order had had an opportunity to be heard, did the chairman make his ruling. That ruling was immediately appealed by the hon. member for Winnipeg North Centre (Mr. Knowles) and the appeal was reported to Your Honour.

It was at this point, if, with respect, I may use the words you used, that a mistake was made—you used those words the following morning—but nowhere in the use or application of those words was there any suggestion to declare as a nullity what had taken place from the time you referred to as being the moment when you made the mistake of not enforcing the usual practice that you were back in the chair merely for the purpose of receiving a report from the chairman of the committee, and putting the appeal which had been made on the question contained in the report to the house for its decision. You did commence to put that question. You had previously ruled on numerous occasions that when such an appeal came before you through the report of a chairman there was nothing else before the house and that that report had to be put to a vote.

The hon. member for Winnipeg South Centre (Mr. Churchill) rose and raised a point upon what appeared to me and what appeared to many to be an academic question. You allowed him to proceed and he did proceed at considerable length. After he had submitted his point and when you were on the point of making your ruling, it was suggested to you that you should not complete your ruling until after six o'clock. We all know what took place after the dinner recess. We know that there were then various proceedings which were obviously undertaken for the purpose of taking up time and preventing the report from the chairman of the committee being submitted to the house and the house getting back into committee.

In the course of the discussion Your Honour indicated to the house that the point raised by the hon. member for Winnipeg South Centre was merely an academic point and there was nothing on which to rule. Your Honour then proceeded to put the question on the appeal of the hon. member for Winnipeg North Centre, the question which was before the house, the only question which could be before the house at that particular time. Your Honour had actually called the yeas and, according to *Hansard*, you were about to call the nays when the hon. member for Winnipeg South Centre, although Your Honour was on your feet, rose in an insistent manner and demanded an appeal from a ruling Your Honour had not made. The appeal was granted and Your Honour's opinion was sustained on the appeal.

At this point the hon. member for Quebec West (Mr. Dufresne), although a motion to adjourn the house had previously been disposed of and had taken, as these proceedings do take in our house, about three-quarters of

an hour, renewed a motion for the adjournment of the house. That motion was put and decided and according to page 4528 of *Hansard* Your Honour then rose and said the following words:

The question is now, shall we—

At that point the hon. member for Nanaimo (Mr. Cameron) rose and raised what you have since declared to be an improper question of privilege and which I am informed the hon. gentleman himself was astonished to find was taken seriously. On this the hon. member founded a motion which Your Honour put to the house. At that point the Leader of the Opposition (Mr. Drew) rose to speak and after he had proceeded briefly he asked this question:

Do I gather that some members opposite do not think the rules were properly applied?

That was the first opportunity that any member of the government had had to raise a point of order. The Minister of Finance (Mr. Harris) raised again the point of order which he had raised at six o'clock and once more drew Your Honour's attention to the fact that no intervening business could occur, and that the only purpose of Your Honour being in the chair was to put the appeal of the hon. member for Winnipeg North Centre which had been reported to the house at 5.15. The remarks made at that moment by the Minister of Finance will be found at page 4531. When the hon. Leader of the Opposition said this afternoon that there had been no objection to the course which was being followed he evidently overlooked this paragraph in the second column of page 4531, which reads:

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I do raise a point of order now that the Leader of the Opposition (Mr. Drew) has made that inquiry. As I recall the situation, a short while ago Your Honour ruled that you must put the question which was submitted to you from the committee of the whole. From that ruling there was an appeal to the house and the house upheld your decision. That being the case I suggest to Your Honour that no intervening proceeding can occur, because you had in effect said that the interpretation of the rule was that you must then put the motion. If that is so then I suggest that nothing can happen until—

Mr. Rowe: You have thrown the rules away.

Mr. Speaker: The matter raised by the hon. member for Nanaimo (Mr. Cameron) is one of privilege and is one that is very serious. I had not seen the letter entitled "They Will Pay" but I had read the letter written by Mr. Eugene Forsey, in which he discusses instances in which I was myself involved. It would seem to me, however, that in a matter of this kind the thing to do, after having placed ourselves in a position where we can deal with the matter, especially since I am concerned, is to postpone the consideration of that motion.

Normally when a member brings to the attention of the house an article which concerns privilege and in which someone in the house is involved, after he has made his motion it is up to the other member involved to be heard. If hon. members care to debate this matter before I myself am heard on the subject, I am not going to object; I am just going to let them go right ahead, but at one stage of the proceedings I want to say that I will have to be heard.

There was no decision made upon the point of order or the motion. The motion was before you, and on that and on another occasion you had suggested that the matter should not be further considered but should be adjourned. As recorded at the foot of the second column of page 4532, this is what you said, sir:

As regards the article by Mr. Eugene Forsey, in which he writes under the title "About Closure, the Speaker, and Rights of Parliament", there may be more paragraphs there which are incriminatory, but certainly not the whole of the article. This is a matter on which perhaps I might give a ruling on a future occasion, but at this moment I would ask hon. members to consider that there is a very serious matter before this house, perhaps much more serious than one foresees at this moment in the midst of other proceedings. I repeat the suggestion I made earlier, that this matter for the moment be adjourned.

Your suggestion was not accepted, and the Leader of the Opposition said:

Mr. Speaker, with deference, I do not believe this should be adjourned.

He went on to discuss the matter until we reached the hour of ten o'clock. You had already made it quite clear that you felt you might have to make a ruling upon the question at some time. On the following morning, when the matter was called, you did give the ruling that was cited in the *Votes and Proceedings* of June 1 by the Leader of the Opposition. I shall not read it again. You stated at that time that you were sufficiently informed and did not need to hear any further discussion on the point of order, or the matter as to whether or not this was a proper motion relating to privilege.

Sir, it has always been my understanding that points of order were not matters for debate. Points of order were matters to be decided by the Speaker, about which any remarks that were made by hon. members were not remarks in the form of a debate but remarks designed to inform the Speaker, to call his attention to certain other precedents or to what should, in their view, be the manner in which the point of order should be decided.

These rules in their application, sir, are made to protect the rights of parliament in the psychological atmosphere where the business of parliament is being carried out. They are not rules designed to furnish weapons to delay the passage of the regular business of the house. If it were to be decided that when a point of order is raised it is a subject that is open to debate for every hon.

member in the house, it would be quite impossible to transact the business for which parliament really exists, that is to say, to deal with the matters that are of concern to the Canadian people generally.

You then made your ruling and put the ruling to the house, and it was sustained by the house. I submit that on that occasion there can be no suggestion that anyone who had a right to speak by virtue of the rules was denied the use of that right.

The other matter has to do with the question you declared that you felt called upon to submit to the judgment of the house. It is said that there is no precedent, that there is nothing to justify such a course of action. Sir, I submit that that is a course of action which does not have to be resorted to very frequently, which Hon. R. B. Bennett in 1929 suggested, on a matter of proper procedure with respect to constitutional questions, should be submitted by the then Speaker to the consideration of the house. It is something that occurs rarely but is dealt with by the writers on procedure of the House of Commons, and I have here the second volume of Redlich, which at page 145 says the following, which I think is worth putting on the record of the house:

> It must not, of course, be overlooked that, from a purely technical standpoint, the house is the sole and absolute master of its order of business. Its jurisdiction is most clearly seen in its power at any time to alter the rules of business; as we have already remarked, no special procedure, no particular majority is required for this purpose. In point of fact alteration in rules is nowhere subject to so few difficulties as in the House of Commons. But so long as they remain unchanged, whether they depend on some express order of the house or on customary practice, their maintenance is confided to the Speaker alone; it is his duty to see that they are obeyed, to explain and apply them. In principle the supreme authority of the house is retained; it is clear enough from an express order, made so long ago as 1604, that when precedents are not conclusive the Speaker is to lay the matter before the house for decision: but it is entirely in the Speaker's discretion to judge whether and when to call for such a decision of the house. If he deems it unnecessary to do so, his ruling is final.

This would apply, of course, to the practice at Westminster, where I understand there are no appeals to the house from the rulings of the Speaker. Here we have an express provision to the contrary, and the decision of the Speaker is always subject to an appeal to the house.

> Among so great a multitude of precedents it can but rarely happen that the Speaker will be unable to find a more or less relevant guide for his conduct without an appeal to the house. It has, as a matter of fact, very seldom happened that a Speaker, instead of giving the ruling of the Chair on his own responsibility, has requested the decision of the house on a special case. And when he has once given his decision there can be no refusal to accept his verdict, nor any discussion of his ruling by the house.
>
> It follows, then, that in the House of Commons there can be no debates on questions of order, such as have attained to a melancholy celebrity in continental parliaments.

Not only, possibly, in continental parliaments.

> Any member is entitled, even bound, to bring to the Speaker's immediate notice any instance of what he considers a breach of order, and to ask for the Speaker's explanation upon any obscurities in procedure. To do so it is proper to call attention to oneself by interrupting and to lay the point in question concisely before the Speaker. Occasionally other members intervene with brief suggestions; but generally the Speaker decides at once: in any event the decision lies with him and his ruling is, as just remarked, subject to no appeal.

Our rule, of course, is different in that respect.

> A set debate on a point of order can only be brought on in one way and under definite conditions. The rules prescribe that due notice of motion must be given that on some future day a vote of censure upon the Speaker will be moved. It need hardly be said that such an event is abnormal and happens but rarely, and that such a motion would only be acceded to by the house if the circumstances fully justified it.
>
> To an Englishman it would appear seriously to undermine the exalted position and dignity of the Speaker if, in addition to his application of the rules being open to challenge upon special and important occasions, it was competent for every member to call in question the Speaker's authority whenever he chose, and if he was liable at all times to be called to defend the correctness of his decisions.
>
> It is true that the house is the supreme court of appeal to which the Speaker, like all others, is subordinate, but the authority of the Chair is equally firmly established as against the individual members. Until the judgment of the house is appealed to in the prescribed form the authority of the Speaker must override the doubts of a single member and be final.
>
> According to English ways of looking at things the parliamentary umpire would be as much lowered by a dispute with a member about his ruling as a judge would be in a court of law, if, after giving his decision, he allowed himself to be drawn into an argument with the parties whose case he had disposed of, or with the public, about the correctness of his judgment or the grounds upon which it was based.

Well, sir, in your discretion you found it desirable to submit to the house the question whether or not, in the application of the general principle incorporated in standing order 7 of the house, the house should be put back in the same position it was when the appeal of the hon. member for Winnipeg North Centre (Mr. Knowles) was reported to the house, and you were proceeding to do so. Very unfortunate occurrences did take place. They are to be regretted, as are to be regretted all examples of defiance of constituted authority, and I am sure that for different motives we would all be happy if

we could forget the events of these last few days which accompanied the vehemence of the controversy over the pipe-line bill.

But if it became a precedent of this house that one member or a few or even many members of the minority group could hold up the business of the house at any and all times by making a challenge in respect of their confidence in the procedure followed by the presiding officer of the house, what would be the effect of that upon our parliamentary institutions? Oh, I recognize that the Speaker represents the dignity and authority of the house and should be a worthy representative of the dignity and authority of the house. But I submit to you, sir, that in the view of the vast majority of the house you, not only during the past three years but during the whole time you have been in the house, have convinced us of your fitness to represent the dignity and authority of the house.

There have been statements made this afternoon in the course of the debate that this was so up to the end of the last session of parliament and that it is no longer so. That is one of the unfortunate consequences of the firm determination at which the minority in the house had arrived in trying to prevent by every means possible there being time in the house to reach a point where a decision of the house could be made upon the various phases of this legislation. We did resort to closure. It is not something that any government likes to do. It is something for which any government that does it has to take the responsibility before the public, and unless it can satisfy the public that it was a proper use made to enable the business of parliament to be carried on in an efficient way, then it will be rebuked by the public.

But to suggest that in pursuing that course a minority can reach the point where they can succeed in forcing a dissolution of parliament is, I think, something upon which the Canadian public would not be disposed to bestow its approval.

Mr. Fleming: Why not give them a chance?

Mr. St. Laurent (Quebec East): This situation will appear to many, in spite of the elevated tone of the addresses made in the house this afternoon by the Leader of the Opposition (Mr. Drew) and by the leader of the C.C.F. party, as being one more attempt to prevent the majority in parliament from reaching a point where it would be entitled to vote upon the propriety or otherwise of this controversial measure.

Mr. Drew: Mr. Speaker, I must intervene on a question of privilege. I think it is a most improper suggestion that a matter brought forward in this way should in any way be suggested as a means of delaying debate in the pipe-line proceedings.

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Drew: I repudiate any suggestion of that kind and greatly regret that the Prime Minister (Mr. St. Laurent) would have thought of making such a suggestion.

Mr. St. Laurent (Quebec East): Mr. Speaker, not even the Prime Minister could avoid thinking that each and every move that has been made since the pipe-line resolution was first brought before the house was designed to prevent it from reaching a point where it might become a statute of the Canadian parliament. It may be that hon. members will contend that we have improperly used the closure rule, that we have improperly attempted to make the will of the majority prevail in the House of Commons. That also was dealt with by the Montreal *Star* on June 2, and I think there is much in this editorial that is deserving even of the reflection of hon. members opposite.

The editorial reads:

> The pipe line debate in the House of Commons began formally on May 10, though the subject had been frequently discussed long before that date. Today is June 2, ample time, one would think, for adequate public discussion of the merits and demerits of the legislation. The bill, however, has not yet passed. If the Progressive Conservatives and C.C.F. parties have their way it never will. Their way, it is to be noted, is turbulent. Loss of temper, either feigned or real, is frequent.
>
> Since May 10, on every conceivable pretext, these two parties have with endless ingenuity blocked or attempted to block the orderly passage of the bill. This is their right. They both disapprove the measure, though on very different grounds. They conceive it to be their solemn duty to kill it if they can.
>
> The government, on the other hand, is equally determined to pass the pipe line bill into law, as it possesses a large majority in the House of Commons, its success is likely.
>
> To read *Hansard* for the last three weeks is to be given the impression that there is something dirty about the word "majority". It happens, however, to be quite respectable. A democracy works by majority rule. There is no other way it can work, and the government is just as entitled to use the rules and procedures of the House of Commons to make the majority will effective as the opposition is to block it. The air has been filled with hot air and nonsense about the death of liberty because the government has used the weapon of closure. Closure has been applied in the British House of Commons 122 times in the last five years,—

Mr. Diefenbaker: By agreement, mostly.

Mr. Harris: Nonsense.

Mr. St. Laurent (Quebec East): The article continues:

> —and liberty seems to be doing all right over there.

Mr. Fleming: A different thing altogether.

Mr. St. Laurent (Quebec East): Yes; a different thing, in a different climate, and a different conduct by the opposition.

Mr. Fleming: A very different kind of government.

Mr. St. Laurent (Quebec East): It is a very different atmosphere. You find no revolt against constituted authority there, and even when there is dissatisfaction, no attempt to resist the processes that have been established by the practice of centuries to bring about orderly government in organized society.

Mr. Fleming: You will find even-handed justice there.

Mr. St. Laurent (Quebec East): The second charge, if I may call it so, in this motion is that Mr. Speaker repeatedly refused to allow members to address the house on occasions when the rules provide that they have the right to be heard.

I have carefully examined *Hansard* for June 1 and I can find no occasion when Your Honour refused to hear any hon. member when he had the right to be heard under the rules. On the contrary, I find several occasions on which Your Honour, as a courtesy, permitted hon. members opposite to speak on Friday when they had no absolute right under the rules to interrupt the proceedings. The first attempt is reported at page 4537 of *Hansard*, immediately after you made your ruling on the motion of the hon. member for Nanaimo (Mr. Cameron). At that point the Leader of the Opposition (Mr. Drew) rose and said:

> Are you prepared to hear any discussion on that, because—

And you indicated that you were not prepared to hear discussion. I would remind hon. members that, at that point, the Speaker had just completed a ruling, that rulings of the Speaker are not debatable under our rules, and that the only legal recourse open to an hon. member who is dissatisfied with a ruling of the Chair is to appeal the ruling. That right was exercised by the Leader of the Opposition. The second case is to be found at page 4540. Your Honour had completed a statement about the business of the House and you had actually put the question:

> Those who are in favour of sustaining the Speaker's ruling will please say yea.

Then some hon. members had said "Yea". Then the Leader of the Opposition—who I submit was clearly out of order to do this when Your Honour was on his feet—interrupted the proceedings and claimed to be rising on a question of privilege. At the same time the hon. member for Eglinton (Mr. Fleming) also sought to take the floor although the Speaker was on his feet. Your Honour permitted the Leader of the Opposition to rise. Instead of stating a question of privilege the Leader of the Opposition attempted to make a motion of want of confidence in the Speaker. Your Honour properly ruled, I think, at that point that such a motion must go on the order paper and that there must be 48 hours' notice.

Instead of proceeding with the vote on which Your Honour had already embarked you extended to the hon. member for Winnipeg North Centre (Mr. Knowles) the courtesy of speaking on a point of order to the effect that the hon. gentleman had already made a motion to adjourn the house before Your Honour had embarked upon that proceeding. Your Honour allowed the hon. member's point of order. I refer to the hon. member for Winnipeg North Centre—that he had been entitled to have his motion put. You put the motion and it was defeated. At that point the hon. member for Eglinton rose on a point of order and was heard. Your Honour pointed out that his observations did not relate to the matter before the house and the hon. member for Eglinton said, "Perhaps I can stake out a claim".

Mr. Fleming: He did not hear me. That is not right.

Mr. Harris: Page 4542 of *Hansard*.

Mr. Fleming: The Speaker did not hear my point of order then.

Mr. St. Laurent (Quebec East): No. The hon. member said, "Perhaps I can stake out a claim", as though there were anything in the rules to give any hon. member the right to preempt a position in the house for some future occasion.

Mr. Fleming: How ridiculous!

Mr. St. Laurent (Quebec East): Your Honour rose and had completed part of your speech when you were interrupted by the hon. member for Nanaimo (Mr. Cameron) who claimed the right to speak on a question of privilege. He was not allowed to proceed, quite properly, because Your Honour had the floor. Your Honour then indicated again the course of action which you were proposing to take, upon which the hon. member for Winnipeg North Centre, the hon. member for Eglinton and the hon. member for Kamloops were all permitted to speak on a point of order. Then Your Honour indicated that you intended to proceed with routine proceedings before placing before the house the course of action which you had already outlined.

At this point the Minister of Finance (Mr. Harris) again rose and said this:

> Mr. Speaker, some time ago I thought you had come to this point. In fact, I have already said that I supported the proposition that you were putting before the house, and I hope that you do put it before the house for the reasons you have given.

The Minister of Finance was here alluding to the course of action Your Honour had been putting before the house and on which you had called for and obtained the "yeas".

Mr. Diefenbaker: What page was that?

Mr. St. Laurent (Quebec East): Page 4543. Notwithstanding the submission of the Minister of Finance as leader of the house that you should put the question to the house, Your Honour decided to proceed first with the routine proceedings of the house. In other words, at this point the question of the government, as expressed by the Minister of Finance, was not accepted by Your Honour and we have no criticism whatsoever of Your Honour for not accepting the minister's suggestion. On the routine proceedings the hon. member for Nanaimo was heard on an alleged question of privilege. Then as reported at page 4544 of *Hansard* Your Honour interrupted him in the following words:

> Order. The hon. member at this moment is not stating a proper question of privilege.

Then we had the incident to which I have already referred and about which I read to the house the only authority I have been able to find in Redlich, volume 2, at the page I have cited. If one examines *Hansard* one will find that there is not a single instance where any hon. member had a right to speak and was refused that right; but there are examples of the courtesy which you extended to some hon. members although they had no real right to be heard, according to the rules.

The fact is, as Your Honour indicated on Friday, that, because you had made what you yourself described as a serious mistake, the rules of the house had been disregarded to what amounted to the prejudice of the government in this contention over the effort to bring the measure then before the house to the point where it could be voted upon.

Mr. Diefenbaker: To the prejudice of the government, did the Prime Minister say?

Mr. Fleming: Yes, that is what he said; "to the prejudice of the government".

Mr. St. Laurent (Quebec East): To the prejudice of the government's position. With respect to the procedure in the house the Minister of Finance, as leader of the house, had drawn Your Honour's attention to this disregard of the rules and practice, first in the afternoon and then in the evening of Thursday. On neither occasion had Your Honour seen fit to rule on the point of order raised by the Minister of Finance. When on Friday Your Honour put to the house the question that the house, which is the master of its own proceedings, should be placed in exactly the same position it was when you resumed the chair on Thursday to submit the chairman's ruling, you were met by very strong objections and there occurred the incidents which we all deplore.

Now I recognize, sir, that strong feelings and great heat have been demonstrated in this debate. I recognize that hon. gentlemen opposite felt, and probably still feel, that the government has applied standing order 33 with undue severity. We do not feel we have done so. We have acted within the rules to protect the rights of all hon. members on both sides of the house to express their opinion by their vote on this measure in time to be effective. There is a legitimate difference between two sides of the house; it is the normal working of our parliamentary system. On Thursday, I will not deny we were disappointed at the manner in which the rules had been applied, but we created no scene. We made no manifestation. We submitted to that.

On Friday Your Honour, having examined the situation and having come to the conclusion that you should at the first opportunity put the appeal that normally should have been put at five o'clock on the day before, without nullifying any proceeding, you proceeded to submit to the house the question as to whether that should be done. The house having approved that course, you did so.

There was, and still is apparently, the suggestion that in doing so you were subordinating the rules of parliament to the will of the government. Well, we absolutely repudiate any such suggestion. We do say that proceedings of the character of this motion would constitute a very serious precedent that would enable any factious group that was opposed to any bit of legislation to resort to it, and thus prevent the normal operations of the House of Commons in the progress of its business. I should like at this point to refer very briefly to something that was said by an hon. member who was the then hon member for Vancouver East, as recorded at page 41 of *Hansard* for January 28, 1949:

> Surely this is a question of orderly procedure in parliament, and whether we agree with it or not is a matter to be decided by the vote of parliament.

It has been stated, and we must all recognize it, that if there are hon. members who are prepared to vote for this motion

there are very many more on both sides of the house who are prepared to assert by their votes that they still have confidence in the presiding officer of this house. Such a vote would not be a happy situation. It may be an inevitable situation. It is one about which those who have spoken for the other three groups in the house have made their positions clear.

I feel that, on this side of the house, we are entitled to some time for the consideration of what should be the ultimate disposition of this motion. It is not a situation which cannot be cured. It is not a situation which is going to destroy this parliament; and there should be in the minds of reasonable men, after they have had an opportunity of expressing their views, the feeling that, after all, something has to be done to allow parliament to continue to operate in the true traditions of British institutions and to carry on its work effectively. This would not be achieved by the adoption of this kind of motion, and is not apt to be achieved by the repudiation of this kind of motion, no matter what the majority opposed to it.

I therefore move at this time, seconded by the Minister of Finance (Mr. Harris):

That the debate be now adjourned.

Mr. Fleming: Another closure!

Mr. Knowles: The guillotine again.

Mr. Fulton: That is your answer to everything; chop it off.

Mr. Diefenbaker: That is the epitome of parliament.

The house divided on the motion (Mr. St. Laurent, Quebec East) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bourque
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cavers
Clark
Cloutier
Crestohl
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eyre
Fairey
Forgie
Fraser (St. John's East)
Garland
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Lafontaine
Lavigne
Leduc (Gatineau)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Marler
Matheson
Menard
Michaud
Mitchell (Sudbury)
Monette
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Tucker
Valois
Viau
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—134.

[Mr. St. Laurent (Quebec East).]

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pearkes
Perron
Rea
Robinson (Bruce)
Rowe
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—57.

MR. SPEAKER—QUESTION AS TO PROPRIETY OF PRESIDING OVER HOUSE

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, before the orders of the day are called I should like to direct a question to the Prime Minister. I should like to ask the Prime Minister if it is fair to ask Your Honour to preside over the sittings of this house when the motion which we were debating this afternoon still stays on the order paper without a decision by the house?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand that, however distressing it may be to Your Honour, it is your duty to preside in the house even as you did during the course of the discussion on the motion the debate on which has just now been adjourned. I can see no reason why there should be any kind of admission that this motion is warranted.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask a supplementary question. I think the Prime Minister missed the point of my hon. friend's question. The question was whether it is fair, not only to the Speaker but to hon. gentlemen who have criticized the Speaker, that the Speaker should remain in the chair until this matter is settled. I think the matter should be settled and then perhaps we can arrive at a good basis again.

Mr. St. Laurent (Quebec East): It is my understanding, Mr. Speaker, that, under the statute and the interpretation of the rules by Bourinot, you are required to continue to occupy your office even though there may be a question which concerns you personally involved in the proceedings.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question either to the Prime Minister or to the leader of the house. In view of the Prime Minister's assertion that on important matters the house should be permitted to reach a decision, will he undertake that when this motion is reached again on the order paper in its ordinary place the debate thereon will proceed?

Mr. St. Laurent (Quebec East): Mr. Speaker, the business of the house will be announced in due course.

Some hon. Members: Oh, oh.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask a supplementary question of the Prime Minister. Does he suggest that, having adjourned the debate on this important motion before it, the house has no right to know when the matter is coming up again? Is this but another example of the kind of thing we have to put up with—

Some hon. Members: Order.

Mr. St. Laurent (Quebec East): No, this is not an example of anything that anybody has to put up with. It is a decision of the house that the debate is adjourned, and I cannot at this moment tell the hon. gentleman when it will be possible to continue the debate, but it is not a matter that can be delayed very long.

An hon. Member: Does the Prime Minister have no immediate plans?

Mr. Knowles: Mr. Speaker, may I ask a supplementary question? Does the Prime Minister realize that, according to the way the order paper is set up, this adjourned debate will be on page 2 of the order paper tomorrow under routine proceedings and that the house will be permitted to proceed with it unless the government takes the initiative in preventing that debate?

[*Later:*]

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct another question to the Prime Minister. In view of the fact that the house now has voted against the motion to carry on the debate of the censure motion, and in view of the Prime Minister's statement, can the Prime Minister inform the house now whether this chamber will proceed on the rules of the house rather than on a majority rule?

Mr. St. Laurent (Quebec East): This house has always proceeded on the rules of the house.

[*Later:*]

On the orders of the day:

Mr. Diefenbaker: I should like to ask the Prime Minister a question, and I do so for the sake of information. Does he not consider that it would be manifestly unfair to Mr. Speaker not to have this matter dealt with at the earliest possible date, and when it comes up tomorrow will he give the assurance that it will be proceeded with immediately instead of being allowed to remain over?

Mr. St. Laurent (Quebec East): No, I cannot give the hon. gentleman that assurance. I consider that it is a matter that should be dealt with expeditiously and will be dealt with expeditiously.

Mr. Fleming: Why not today?

USE OF RED ENSIGN IN HOUSE ON MAY 25

On the orders of the day:

Mr. A. W. Stuart (Charlotte): I should like to direct a question to the Minister of Public Works. Was the red ensign used on the after-

noon of May 25 to drape the chair of the hon. member for Eglinton (Mr. Fleming) the property of the Department of Public Works? If so, how did it come to the hands of the hon. member for Hamilton West (Mrs. Fairclough)? Can the minister assure the house that there is a sufficient supply available for other members of parliament who may need them?

Hon. Robert H. Winters (Minister of Public Works): To the best of my knowledge the flag was not the property of the Department of Public Works. I have asked to have the matter investigated, and I expect I shall have a full report later.

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of Public Works. I assume the Minister of Public Works has issued no orders that restrict the use of the flags that are available in this building for appropriate purposes.

Mr. Winters: To the best of my knowledge the flag was not the property of the Department of Public Works.

MEAT

BACON—INQUIRY AS TO POSSIBLE INCREASE IN PREMIUM

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Agriculture, as I understand the minister is away at the present time. Can the parliamentary assistant inform the house whether the government is giving consideration to increasing the premium on bacon hogs from $2 to $4?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I shall take the hon. member's question as notice and an answer will be given later.

Mr. McCullough (Moose Mountain): I should like to ask a supplementary question. Can the parliamentary assistant inform the house whether or not the government has given any consideration to making the floor price which is applicable at Montreal equalized throughout the various provinces?

Mr. McCubbin: Of course that is a matter of government policy, and these things will be announced in due course, as any changes are made.

[Mr. Stuart (Charlotte).]

PRIVILEGE

MR. DINSDALE—REFERENCE TO REMARKS IN DEBATE ON JUNE 1

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I rise on a question of privilege, Mr. Speaker, to make a correction in *Hansard* on page 457 of Friday last. The hon. member for Iles-de-la-Madeleine (Mr. Cannon) said:

> How did that flag happen to be in this house or in the lobby?

The next line states:

> Mr. Dinsdale: It was an organized affair.

An hon. Member: Honesty is the best policy.

Mr. Fleming: Why don't you start that practice, and soon?

Mr. Dinsdale: Hon. members will recall that that was a very noisy period during that particular part of the sitting. Certainly that observation did not come from me. It gives me the opportunity to say that I was aware that when the motion for suspension was moved a frantic search took place for the flag. It was not premeditated in any way.

COMBINES INVESTIGATION ACT

BRITISH COLUMBIA—INQUIRY AS TO FISHERMEN'S UNION

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Justice or, in his absence through illness, to the Secretary of State. Would the minister make a statement regarding the charges circulated in a letter to the British Columbia member of parliament by the united fishermen and allied workers' union to the effect that there are certain irregularities in the methods employed by departmental officials in carrying out their duties in obtaining information from the union, as compared with the canners with whom they are associated?

Hon. Roch Pinard (Secretary of State): Before answering this question I wish to say that notice of the question was sent to the office of the Minister of Justice, who is away through illness, and it was referred to me for an answer. Before giving a reply, I would refer my hon. friend to the practice in matters of this kind that was outlined on May 21 last by the Minister of Justice in his statement, and I quote his words then:

> The general rule is that no information is given out as to whether or not an inquiry is being pursued in a particular industry unless and until a report is made to the minister by the restrictive trade practices commission and duly published.

Later on in his remarks, the minister qualified that by saying that the parties themselves appeared to have made public the fact that there was an investigation going on. With these qualifications, I am ready to answer the hon. member concerning the charges to the effect that the canning companies were not treated, in the matter of search, in the same manner as the union to which he has referred. I can assure him that all questions as to premises to be visited and the order in which they are visited are being dealt with in the ordinary way and without any discrimination. I should like to add that I feel, as the minister said at the time, that no other information should be given at this time on the matter.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO FURTHER CORRESPONDENCE WITH MINISTER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. I wonder whether he has obtained the answer to my question of May 29, as to whether there has been any correspondence, confidential or otherwise, between himself and Trans-Canada Pipe Lines Limited at any time since May 8 of this year.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I did obtain the information and I am sorry I have not given it. There has been no correspondence.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the third reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on the motion there is not very much that I feel is required to be said. The bill is in the same form in which it was introduced and in which it received second reading and in the form in which it was for several days before the committee of the whole house. There have been no suggestions that there should be any changes in its language or form, and it now comes up for regular consideration on the motion for third reading in the normal way.

Pursuant to standing order 33, I wish to give notice that immediately before the order of the day is next called for resuming the debate on the motion for the third reading of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation and on any amendments thereto, I shall move that the said debate shall not be further adjourned.

Some hon. Members: Shame.

Mr. Knowles: I rise on a question of privilege. In his remarks just now in giving notice of this motion the Prime Minister said, if I heard him correctly, that there have been no suggestions made as to any changes in the form of the bill. There might have been something else in what he said, but substantially that was the import of what he intimated to the house just now. I remind you, sir, that I indicated when Your Honour was in the chair before second reading was called that the bill should be made to include the agreement referred to in clause 7 of the bill.

Mr. Pickersgill: That is not a question of privilege.

Mr. Drew: Oh, stop admonishing the house.

Mr. Speaker: Does the hon. gentleman contend that in what he has just said he had a genuine question of privilege?

Mr. Knowles: I do, sir. The Prime Minister made a misstatement and you, sir, have said that when a misstatement is made the time for a member to correct that misstatement is after the person who makes the misstatement sits down. I waited until the Prime Minister sat down and raised my question of privilege at the very time that you have told us we should raise such questions of privilege.

Mr. Fleming: On the same point, it will be remembered that when clause 1 of the bill was called in committee and closure was moved on clause 1, I stated then that I had an amendment I wished to move on that clause and subsequent clauses and had no opportunity to do so owing to the guillotine applied by the government.

Mr. Fulton: You will also recall, Mr. Speaker, that just before the bill went into committee motions were made that instructions be issued to the committee as to specific amendments, which motions Your Honour ruled out of order at that time, but the suggestions were very specific.

Mr. Sinclair: Four members have now spoken in the debate. Carried.

Mr. Diefenbaker: We are to be harassed out of existence.

Northern Ontario Pipe Line Corporation

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, the manner in which the Prime Minister (Mr. St. Laurent) has introduced this motion for third reading is as accurate an expression of the attitude of the government toward the business of the house and towards the house itself as anything which has come before the house in recent days. It displays the utter contempt of the government for parliament and for the business that is before the house. The Prime Minister as head of the government on this occasion chose to rise on the third reading of a bill which relates to what has been described to us as one of the greatest and most important ventures to come before this country for some considerable time, and simply tell us that there is not very much that requires to be said.

There is a great deal that requires to be said. There is a great deal that requires to be said about the steps by which we have come to this ignominous position in dealing with this bill. We have had exactly the same conduct on the part of the government at each stage, but at least it can be said that on no earlier occasion was there such a summary dismissal of the proceedings before parliament as that with which the Prime Minister has placed before the house for third reading a bill of such importance as is suggested by government spokesmen.

Then again, there was the statement by the Prime Minister, in the very few words he spoke before he again applied the gag, that there had been no suggestion that there should be any change in the language or form of this legislation. What a travesty on what has taken place. There were plenty of changes that were going to be made. There were plenty of changes that would have been suggested if the government had dealt in an orderly and sensible way with the legislation which is now before the house.

Let us just review what has taken place, now that we have reached the very final stage, again under the shadow of the axe. The first stage in the introduction of the bill was a motion standing in the name of the Minister of Trade and Commerce (Mr. Howe) that it was expedient that the bill be introduced. That was the first step. That motion was brought before the house long months after it had been announced in the speech from the throne that legislation of this nature would be brought before us. The government waited until the very last possible day to introduce this legislation, and then has talked of the need of haste.

In January the government knew what was needed. In January the government, in the speech from the throne, stated that we would receive legislation of this kind; yet it only came before us three weeks ago today. That is the haste that has been precipitated and forced on this house by the government as a result of its dilatory conduct since this legislation was first announced on January 10 of this year.

When the resolution came forward three weeks ago today, before a single word had been said by any member of the opposition the Minister of Trade and Commerce introduced the first closure motion. That was unprecedented in the history of this house. That was the use of the axe in the most cold-blooded manner. Never before has anyone ever thought of introducing closure before there has even been an indication from the opposition as to its views on the particular measure in question. Do not let anyone say there had been views expressed before. This measure only came forward in these very recent weeks after the government had decided to change its original course and halt the proceedings which began on March 15 of this year.

Then in the ordinary course of events we came to second reading. Again there was closure. Then we came to the committee stage, which is the stage where the bill can be discussed in detail. The Prime Minister says today there was no suggestion that there should be any changes in the language or form. What chance did the government give us to deal with this bill properly? None whatever. The moment clause 1 was called the Minister of Trade and Commerce immediately applied a particularly vicious form of closure and moved the adjournment of consideration of that clause. The moment clause 2 was called the same procedure was followed. Again there was closure of this special type. Clause 2 is the defining clause, the clause that tells us what the terms mean, all the terms that give meaning to the language and form—to use the words of the Prime Minister—of the rest of the act.

Then the third clause was the clause which established a corporation. The Prime Minister said, "Oh, we thought we would just pass over these clauses so we could come to the clauses that were the important ones". That clause establishing the corporation was an important clause, as also was clause 2. Then clause 4 was called. Obviously at that time the ears of the government had been opened a little, not too much, and it was decided to permit a limited amount of debate. On that occasion there was actually a discussion on clause 4.

Mr. Speaker, there has been talk of obstruction. The delay there has been, the discussion there has been, has related to the

rights of the members of this house as representatives of the people of Canada, and the discussion which has taken place here has been a fight for the right of the people of Canada to have their legislation properly presented in this house.

Now the legislation is before us in its final stage, and it is clear that the government is not prepared to concede the possibility of any change. In what it has done today in moving closure once again the government makes it clear that it is determined to go ahead with this act unrevised and unchanged.

This act is a mongrel if ever there was one. We have first of all an act that was framed with the idea of setting up the Northern Ontario Pipe Line Crown Corporation. Then instead of revising the act to make it an intelligible piece of legislation we find that the government has left there part II which has nothing to do with the northern Ontario part of the line but which provides for the section of 574 miles from the Alberta boundary to the vicinity of Winnipeg.

This act in its dual form does two strange things. First of all it sets up a crown corporation which is going to receive—if the act is passed as the government is determined it shall be—$130 million of public funds. For what purpose is that $130 million advanced? For the purpose of building the northern Ontario section of the pipe line. Is that $130 million to be used for that purpose? Certainly not within the framework of this act for the time being, because part II of the act provides that of that $130 million up to $80 million is to be advanced, by the crown corporation set up for the purpose of building the northern Ontario pipe line, to Trans-Canada Pipe Lines for the purpose of building that western section. That is not one of the declared purposes of the Northern Ontario Pipe Line Crown Corporation, and it is not a proper use of the funds that are to be advanced to the Northern Ontario Pipe Line Crown Corporation.

We objected in the first instance to the advancing of Canadian funds in this way to build a pipe line, to the use of Canadian money for the purpose of handing over a pipe line to a company which is 83 per cent United States owned. Again we have this confused picture; Canadian money is to be used for the purpose of financing a venture that was to have been financed by the Trans-Canada Pipe Lines company itself. But we have this dual arrangement: Advance the money for the construction of the western portion and deny immediately to the Northern Ontario Pipe Line Crown Corporation the opportunity to build, until that money is repaid, the part of the pipe line which it was intended to build. That is using this crown corporation's money for a purpose that was never intended.

Mr. Speaker, over and over again we have heard talk about the desire of this government to welcome investment from the United States. It is not getting the investment from the United States. We have heard from this government that Canadians cannot finance this effort. Canadians are going to finance this effort simply because this government is going to use the Canadian taxpayers' money, whether or not they want it to do so. They are not even going to let the Canadian taxpayer have a chance to say what he wants done about this matter. We have urged for some time that this government take this matter to the people. There was never any suggestion that the Canadian taxpayers' money was to be used for the financing of a venture of this kind. The government has no mandate whatever to use the Canadian taxpayers' money in this way.

Whether or not the money will be repaid by Trans-Canada Pipe Lines, the fact remains that to the extent of over $200 million this government is proceeding to help to finance this United States-controlled organization. Let it not be said that this is just an advance which will be repaid. From time to time we hear of rotating funds. This is a rotating fund if, in fact, it rotates. This is a fund which, first of all, helps in the financing of the western section up to 90 per cent of the cost, and then in one way or another proceeds with the construction of the northern Ontario section if the government goes ahead with that venture.

Whether Trans-Canada Pipe Lines repays or not, the financing of the western section up to $80 million is to be done with public money; and then in turn, if the government proceeds, up to $130 million is to be used by the crown corporation for the construction of the northern Ontario section. That means—and it means nothing else—that over $200 million of public money is to be used in helping to finance a company which said it could finance this whole venture without government assistance.

Here we are at the third reading stage and the Prime Minister, instead of telling us today that there was not very much to be said, could well have been explaining to us at this late date why it is that he is now supporting a plan which he said last year he did not like. He has not yet at any stage explained when the transition occurred and when he moved from plan 1 and plan 2 to plan 3 and gave it his blessing and approval. Not only has he not explained why he is accepting this plan which he did not like, namely the northern Ontario construction under the

crown corporation. He certainly has not explained in any satisfactory way how he justifies that still greater expenditure of public money to build this western section in the way it is to be built.

Last night I listened to a panel discussion over television, when a number of men who have interested themselves in the trans-Canada pipe line were discussing this subject. One of the things which interested me greatly was the extent to which even those who have followed this matter very closely do not yet realize that there has been a great departure from the original plan and that, far from having a venture which is being financed by United States investment, we now have the reverse of what was originally proposed here in this House of Commons; that instead of having a venture financed by United States investment, we have a venture financed by Canadian taxpayers' money and the advantages turned over to a company that is controlled in the United States, under an arrangement which will give the profits to the stockholders in the United States.

I have said this before and now on this motion for third reading I say it once again: If a group of Canadian investors, headed by someone who happened to know the minister responsible at Washington, went down there and asked them to put up the funds of the United States taxpayers to finance a Canadian venture which would have substantial control over great gas resources in the United States, does any hon. member opposite suggest for a moment that there would be the slightest chance of any person in congress doing anything but laughing at the proposal?

Mr. Howe (Port Arthur): Would my hon. friend like a case of that kind? I would suggest Steep Rock might be a case, where the United States government put up $10 million.

Mr. Drew: That case has no similarity whatever to the case in question. In that particular case, about which the Minister of Trade and Commerce knows a great deal, his friend Cyrus Eaton succeeded in arranging—

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): He is not my friend.

Mr. Drew: —succeeded in arranging a loan from Washington because of the assurance that the United States was going to be able to get iron ore out of a Canadian mine after this company was organized.

Mr. Howe (Port Arthur): I would ask my hon. friend, as a matter of courtesy to me, to withdraw his statement "my friend".

Mr. Drew: He certainly tells everybody he is your friend, and I certainly would be very surprised if he is not because the Minister of Trade and Commerce and Mr. Cyrus Eaton have worked in close co-operation, not only in connection with Steep Rock but also in connection with the iron ore mine in Ungava, with which he has had something to do.

Mr. Howe (Port Arthur): Once again I must intervene. I did not work with Mr. Cyrus Eaton on the iron mines in Ungava. I worked with three gentlemen from my own district who were the discoverers and owners of Steep Rock, and when Mr. Eaton entered the scene I retired.

Mr. Drew: Retired from what?

Mr. Howe (Port Arthur): Any further interest in it.

Mr. Drew: The minister is certainly seeing something sinister in the word "friendship" or the word "friend". I would have thought he would have immediately claimed the friendship of Mr. Cyrus Eaton. Certainly there are many who have done so. Mr. Cyrus Eaton is a Canadian who has made a great success in business in the United States. When the minister talks about there being a parallel, I talked about Canadians going down there. Mr. Cyrus Eaton is carrying on business in the United States. He got the advance from the government at Washington because that mine was going to be made a captive mine to the iron smelting industry in the United States; that was the reason.

Of course I would point out that there is some affinity in another way, because one of the purposes for which the gas is going to be used which will cross the border at Emerson, if this plan goes through is that 152 million of the 200 million cubic feet a day that are supposed to cross that border are to go to three of the steel companies in the United States which will be competing with steel companies in Canada, where we could still be using that gas in competition with them. In fact it is likely that some of the gas will be used for the purpose of processing Canadian iron ore on the other side of the boundary. There is no similarity between the two situations at all.

I repeat, since I was interrupted in that statement by the Minister of Trade and Commerce, that any group of Canadians who went to the congress of the United States with the proposition that they should incorporate a company under Canadian control which was going to have a substantial monopoly on the resources of the gas areas in the United States, and then asked the government of the United States to put up the money to finance the

venture, would be laughed out of congress. I am inclined to think someone would suggest that they go before a doctor to see if they should be certified. It is not possible even to imagine that such a proposal would be made. Certainly it would be considered least of all if, in the proposal that was made, they made it quite clear that Canadians were going to get the United States gas cheaper than the people of the United States were. Yet that is the situation with which we are confronted here today.

Some question has been raised about the cost of gas in the United States and in Canada. Some question was raised about the accuracy of figures that were put before the house. I propose to place before hon. members the figures that were submitted to the federal power commission on April 11, 1956, by Mr. B. E. Lowe, in support of his evidence on behalf of Trans-Canada Pipe Lines Limited. Reference has already been made to these figures by the hon. member for Prince Albert.

We have the statement of the Trans-Canada Pipe Lines company itself as to what the average cost of the gas is going to be at various points. These figures were used in support of the application of Trans-Canada Pipe Lines for permission to import this gas into the United States. I wonder if part of their argument was that this was a desirable thing for the United States because in spite of the fact that the gas is produced in Canada, it is going to be sold to United States consumers cheaper than it is to Canadian consumers in Canada. That is the situation.

Mr. Pickersgill: The same old fable.

Mr. Drew: What interjection did I hear from the pipsqueak?

Mr. Pickersgill: I said, the same old fable.

Mr. Drew: Mr. Speaker, it is now six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Drew: Mr. Speaker, when the house rose at six o'clock I was dealing with the statement of average prices of gas, according to the statement filed by Trans-Canada Pipe Lines in Washington in April of this year. I want to put those figures on the record for the year November 1, 1958 to November 1, 1959, because at that time the distribution will have been spread out over the various units that will be receiving gas from Trans-Canada Pipe Lines.

I know there is a difference in load factor, and the suggestion was made that this in itself presented some explanation of the difference in prices. If it were possible for me to place on record in *Hansard* the various tables which show the variation depending on the change in load factor I would do so, but this is a very involved compilation of figures and it would not be a practical possibility at this time.

I know what the Canadian consumer will be interested in is the average cost; after all, that is what will determine the cost to the consumer. Now, I would assume that the government, which has shown such unfailing solicitude for Trans-Canada Pipe Lines Limited, will not challenge the accuracy of their own statements. While load factors may provide an explanation in some degree, and only in some degree, of some of these differences, the fact remains that these are the average rates per thousand cubic feet of gas at the different points across Canada and at the point where gas will be sold in the United States. These are, of course, wholesale figures to the distributors. As I said before I am taking the year November 1, 1958 to November 1, 1959 as a year when the distribution will have become effective over a fairly wide area.

These are the figures presented to the federal power commission in Washington by Trans-Canada Pipe Lines. They are not mine; they are not the figures of the hon. member for Prince Albert (Mr. Diefenbaker), who first discussed these figures a few days ago. These figures are a part of exhibit X33, docket No. G presented in support of the application of Midwestern Gas Transmission Company in the United States for permission to receive gas from Trans-Canada Pipe Lines for distribution in the United States. These are the figures in the order in which they appear as the average rate per thousand cubic feet: Saskatchewan, 26·6 cents; Manitoba, Winnipeg and Central Gas, 32·9 cents; others, 35 cents; Midwestern Gas Transmission at Emerson, 25·3 cents. That is the place where the gas is sold to the United States. Ontario Union Gas Company, 39 cents; western Ontario to other distributors, 42·2 cents; northern Ontario, 52·7 cents; International Nickel, 51·5 cents; North Bay to Toronto, 77·5 cents; Provincial Gas Company, 46·1 cents; Dominion Gas Company, 66·2 cents; Toronto and area, 51·5 cents; east of Toronto to Montreal, 54·7 cents; Ottawa and area, 52·1 cents; undistributed gas delivered at Niagara, 35·67 cents; Quebec-Montreal, 52·1 cents.

Those are the figures submitted by Trans-Canada itself. The significant figures here are the figures at Emerson and at Niagara. Whereas the city of Winnipeg will be paying

32·9 cents Emerson, which is some distance beyond that and an extension for some considerable distance of the pipe line from Winnipeg, will be paying only 25·3 cents. Now, let us not be misled by talks about load factor. That is going through the same pipe line. The wholesale price to the Canadian purchaser at Winnipeg is 32·9 cents. The sale price to Midwestern Gas Transmission Company, a subagency of Tennessee Gas at Emerson is 25·3 cents.

Then we have these interesting figures as far as eastern Canada is concerned. The gas will go through the pipe line across northern Ontario when it is completed and Toronto and area will pay 51·5 cents; yet after the gas has gone beyond Toronto and through the pipe line from Toronto to Niagara the Tennessee Gas company or its agent will pay only 35·67 cents at Niagara for the gas to be sold in the United States.

These are the figures put forward by the applicant company. These are the figures put forward by the company that is being financed by this government with the Canadian taxpayers' money. That gas is going to be piped through at a lower figure than it will be available to any Canadian purchaser in the east, and is then going to be stored in the storage areas of Tennessee Gas to balance up their prices so they can use Canadian gas for their gas war in the United States.

Mr. Howe (Port Arthur): Would my hon. friend permit a question?

Mr. Drew: Surely.

Mr. Howe (Port Arthur): Does he appreciate that practically every town on the route of the gas line has now signed a contract with Trans-Canada stating the terms under which that town will buy gas?

Mr. Drew: What has that got to do with it?

Mr. Howe (Port Arthur): I wondered who my hon. friend thought he was fooling by putting his figures on the record?

Mr. Drew: I must say that at this stage it is extremely interesting to hear the Minister of Trade and Commerce talk about anyone fooling this house, when the person who has fooled this house from the very beginning is the Minister of Trade and Commerce.

Mr. Pickersgill: The one person who has never fooled this house is the Leader of the Opposition.

Mr. Drew: Are those strange sounds from the same source?

[Mr. Drew.]

Mr. Hees: Louder, squeaky.

Mr. Rowe: No wonder you put closure on that deal.

Mr. Drew: As far as these gas prices are concerned these are the figures that are put before us. Now, if the Canadian taxpayer's money is going to be put up let us assure that we are going to get the advantage of the best prices here in Canada. One of the reasons for these prices in favour of the United States is that this is controlled by a big gas selling organization in the United States which is not concerned about the Canadian market, but is simply concerned about getting gas to sell in the United States at the lowest price possible. That is the reason they are in this venture, and that is what this government is doing with the Canadian taxpayers' money. It is the worst sell-out this country has ever seen. The Canadian taxpayers' money is being used to finance an operation of this kind.

Those are the figures. If the Minister of Trade and Commerce wants to talk so much about load factor, then let him explain to us why it is that the Union Gas Company, which is in Ontario and is buying this gas, is going to pay 39 cents as against the price of 35·67 cents paid at the United states frontier at Niagara when the Union Gas Company has its own storage here in Ontario. Why are we not going to store the gas in the available storage in Ontario instead of pumping it over to the United States to keep an equal level over there to give them the advantage of the easier prices?

Mr. Howe (Port Arthur): Mr. Speaker, my hon. friend has asked for an explanation. The explanation is that Trans-Canada is not obliged to deliver any gas at Niagara. Any gas it does deliver there is gas surplus to the system. The rate at Windsor is a rate that is low in comparison with Toronto for the reason that Windsor can take gas at a uniform load throughout the year by reason of the fact that Windsor has available storage.

Mr. Drew: I am not going to repeat my description of the interjections of the Minister of Trade and Commerce, because I have already applied the appropriate terms to them. The fact is that the figure for distribution in the year between November 1, 1957 and November 1, 1958 at Niagara is 102,000 cubic feet.

Mr. Howe (Port Arthur): Who gave you those figures?

Mr. Drew: What is that?

Mr. Howe (Port Arthur): Who gave you those figures?

Mr. Rowe: Trans-Canada.

Mr. Drew: Oh, the Minister of Trade and Commerce says, "Who gave you those figures?" Those are the figures of your own chosen agent. Those are the figures of the organization you are financing.

Mr. Howe (Port Arthur): They are absolutely phony figures.

Mr. Rowe: You have these figures yourself.

Mr. Diefenbaker: They were given in evidence before the federal power commission.

Mr. Drew: These are the figures given in evidence before the federal power commission in Washington by the company that this government is supporting with the Canadian taxpayers' money.

Mr. Howe (Port Arthur): You might be reading them, but I have never seen them.

Mr. Hees: Those are Clint's own figures.

Mr. Rowe: They are certainly a distortion of the facts.

Mr. Drew: If there is any distortion in those figures then that is the best possible evidence that this deal should not proceed. If there is any distortion then it is distortion at Washington by the chosen agency of this government, Trans-Canada Pipe Lines Limited, who submitted those figures in the evidence they gave this year in Washington. If the minister wants to talk about people being fooled, and he questions these figures, let him agree to the setting up of a committee now, bring Trans-Canada Pipe Lines here and let us find out where those figures came from.

Mr. Howe (Port Arthur): I placed the correct figures on *Hansard*. Why does my hon. friend want to put on phony figures?

Mr. Drew: Mr. Speaker, the Minister of Trade and Commerce has placed figures on the record, and then has had to change them, but the fact is—I repeat if repetition is necessary—that these are the figures put in in solemn evidence before the federal power commission at Washington on April 11 of this year in support of the evidence submitted by Mr. B. E. Lowe of Trans-Canada Pipe Lines Limited when they were seeking approval of their application to deliver gas to Midwestern Gas Transmission Company so that Canadian gas could be distributed in the United States.

Mr. Howe (Port Arthur): Will my hon. friend please table that document; I would like to see it.

Mr. Speaker: May I suggest to the minister that if the Leader of the Opposition does not consent he may not speak.

Mr. Drew: I have fully identified the document. I am convinced the document was in the hands of the Minister of Trade and Commerce before it was submitted at Washington.

Mr. Howe (Port Arthur): You are absolutely wrong.

Mr. Rowe: They are not private and confidential, are they?

Mr. Drew: That matter stands as something to be explained. It is certainly something for this government to explain, why it is financing the operation which is going to sell our gas more cheaply to United States purchasers than to purchasers here in Canada.

Today we heard some talk about obstruction in this debate. I reviewed today the different stages of this bill. The first motion of closure was moved immediately, before we had said a word. Where was the obstruction there? Second reading, again a motion of closure. Where was the obstruction there?

Mr. Pickersgill: Not for two days.

Mr. Drew: I do wish somebody would find a can of oil to end that squeaking door that is moving on the other side.

Mr. Pickersgill: Very funny.

Mr. Hees: Back to your trawler.

Mr. Pickersgill: Stick to the facts for a change.

Mr. Rowe: Get up and say it; we did not hear you.

Mr. Drew: This is not a humorous subject. If it were I might express the hope that the hon. member for Bonavista-Twillingate might have seen the television last night and watched some of his fellow Newfoundlanders singing "Squid Jigging Ground". It would have been a peculiarly appropriate song for the occasion. However, we do not expect songs here tonight and they are not appropriate to the occasion, but I would hope that without any interruption from the same source it might be possible to proceed with these figures, which are facts, and which the hon. member will have an opportunity to examine at any time if he will only seek from the Minister of Trade and Commerce the information which was made available to him by Trans-Canada Pipe Lines Limited.

I was referring to the mention of obstruction that had been made by those opposite, by the Prime Minister (Mr. St. Laurent) today, as though it were an excuse for the procedure that has been followed. I mentioned that on second reading we again had closure moved. I would point out also that when we came to the committee stage, closure of the most arbitrary type was imposed immediately.

The section was called and it was adjourned before there was any debate.

Yes, we wanted information and we have sought information. Neither the Prime Minister nor any hon. member opposite who adheres to the truth can suggest that they were not given ample opportunity at each stage to provide all the information that was required. In the speech from the throne read on January 10 it was stated that legislation to incorporate a crown corporation would be brought forward. In January I asked that this be referred to a committee so that information could be obtained. I have continued right through this session to ask that this be referred to a committee so we could obtain the information which was essential.

We came into the various stages where there has been closure, and now there is closure on third reading to be applicable tomorrow. We have wanted information, we have sought information. We would like information from Trans-Canada Pipe Lines as to why these deals were made to the disadvantage of Canadian purchasers. Those are the kind of things we want.

Then in case once again the Prime Minister should suggest that we have delayed proceedings here let me remind you that we made a perfectly clear submission on March 15, now considerably more than two and a half months ago. When the first motion for the setting up of the crown corporation was presented to this house I had this to say, and I place it on the record again. I pointed out that there were certain suggestions which I wanted to place before the house. Let no one now suggest that we only came forward at the last minute to ask that this be referred to a committee or that other applicants have an opportunity to build this pipe line and to be heard. Over two and a half months ago this is what I said, as reported at page 2182 of *Hansard* of March 15:

> Before I close I want to put certain suggestions before the house and for the consideration of the government, in the hope that they may be prepared to listen to the words of the Prime Minister when he told the house last year that he did not like this method. First, refer the whole question immediately to a committee of this house to obtain the facts and make appropriate recommendations. Second, insist upon the reorganization of Trans-Canada Pipe Lines as an all-Canadian company which can proceed immediately and under Canadian control. Third, if Trans-Canada cannot carry out its undertaking, then open the whole matter and permit new interests to make their proposals for an all-Canadian line, Canadian controlled. Fourth, if it can be shown, and I doubt that it is so, that part of the pipe line must be built as the government asserts on this occasion, then instead of building a part which could become an orphan under certain circumstances in the future, let them build the whole pipe line and lease it for operation under Canadian control.

That was the proposal which I placed before the government in explicit terms on March 15 of this year. If a committee had been set up at that time it could have heard all the evidence which would have been submitted. We could have heard from Mr. McMahon, and there is a lot more to be heard about that. The Minister of Finance may laugh but I think the minister knows a great deal more about the McMahon transaction than he has yet disclosed. I think there are other ministers whom I could name who know a great deal more about it and who are not as uninformed on this subject as was the Prime Minister. The Prime Minister had heard nothing whatever about Mr. McMahon's proposal until after the new agreement had been made with Trans-Canada following their default. I think perhaps the Minister of Finance had heard. I should like to hear from him what he knew about Mr. McMahon.

At any rate we have the right to know, and I suggested on March 15 that this should go to a committee so we could obtain information. If that committee had been set up we could have had Mr. Gairdner of Gairdner and Company come here so we could find out what their proposal was. In addition to that we could also have had Mr. Champion come here, whose information was placed before the Minister of Finance. There would also have been many other Canadians who would have come before that committee if it had been set up. What is certain is that there were a great many Canadians who could have undertaken this task if they had received as favourable terms as are being offered by this government to the United States-controlled company now before us, but this government refuses to consider the setting up of a committee.

Every relatively unimportant bill that comes to this house dealing with a matter connected with transportation is referred automatically, as a matter of course, to the committee on railways, canals and telegraph lines. Any small rail line, any small transportation operation that comes before this house by way of a measure to build it or to set it up or to give it rights is submitted automatically to that committee.

Why not in this case? The fact is that in those cases they have nothing to conceal. They expect to have to bring the facts out into the open. In this case the government was not ready to let us have that ordinary committee inquiry to which we were entitled as a matter of course. I need not point out, of course, that every one of these pipe-line applications in the first instance was submitted to that committee. Every charter,

when the application was made, was submitted to this committee automatically before it was dealt with. Why not in this case? I think the answer is clear, but do not let the Prime Minister suggest to us that we did not offer in plenty of time an opportunity for all the facts to be obtained.

Now we recognize the fact that if the Trans-Canada company were prepared to carry out its undertakings, then under the ordinary contractual obligations it would have the right to do so. I remind this house again that when we spoke about the reorganization of Trans-Canada Pipe Lines, we were suggesting that action in view of the fact that this was the organization which without any reservation had stated in this house through its spokesman that it could construct the whole Canadian line without any export and without government assistance. As a matter of fact as recently as last year Mr. Clint Murchison, the favoured figure for this whole transaction, the man who has the largest single block of shares in this whole transaction, this wealthy man who does not put out his money unless he has to—and he certainly is not being called upon to do so in this case—in his letter to the Minister of Trade and Commerce left no doubt about his assertion that this could be built without government assistance. Then all this has fallen apart.

How they must be laughing at us. How Mr. Clint Murchison and Mr. Gardiner Symonds and the other United States promoters associated with this operation must be laughing at us here. They get the charter on the promise that they can build the line and then, just because they are the only people that know everything about it, this government promises to do the major financing with the Canadian taxpayers' money. What nonsense to suggest that these are the only people who can do it. Look at a map of the gas transmission lines in the United States. They are like the veins in the human body. We could engage the services of experts from any one company or scores of companies that have had experience in this line. There is no question about the possibility of being able to get expert skill of this kind that is needed.

Then I go back to the fact that if Trans-Canada was not able to carry out its undertakings, then it had no right to be the chosen instrument any longer. Under those circumstances I proposed on behalf of our party that if Trans-Canada could not carry out this undertaking, then the whole matter should be placed before the committee and the opportunity presented for offers to be made. After all, it was well over two and a half months ago when I made that suggestion, and all the facts could have been accumulated and examined long before this if the proposal had been accepted.

Now we are on third reading, and in presenting the motion I shall before I sit down—I shall present a motion that will cover the points we had raised at that time—I recognize nevertheless that we have now come to a stage when this government has made it quite clear here on third reading, by the further gag they have now imposed, that this is going through and that after the brief period that will elapse in the other place this is going to go forward under the arrangements they have planned, doubtless also under closure there. The habit is catching, unhappily.

But the point is that if anybody opposite asks us if we know the detailed information of how any of these private enterprises would have undertaken this, the answer of course is no. They denied us an opportunity in committee to obtain the information. We say without any reservation that we believe there is enough initiative in Canada for Canadians to have undertaken this if anything even as remotely favourable as is being extended to Trans-Canada Pipe Lines had been extended to Canadians here in our own country.

That has been denied us, and we are denied the opportunity to learn the facts behind the Trans-Canada operation. We therefore come to the fact that it now seems clear that this government is going to proceed with construction of part of the pipe line under government ownership. Let them not pretend any longer that they are not getting into government ownership. They are. The moment this passes and they set up the corporation to build this northern segment, then they are setting up a corporation which will build 675 miles of this pipe line as a publicly-owned pipe line. That being the case, let us see the result.

We have this strange picture. We have the western section of 574 miles from the Alberta border to the vicinity of Winnipeg, to be financed by the Canadian taxpayers' money to the extent of $80 million, or up to 90 per cent of the cost of construction. Then there is the stretch of 110 miles between Winnipeg and the Ontario boundary. We do not know yet how the government is going to help finance that. We have not been told a word about that, not a word as to how they are going to link up the Winnipeg section with the northern Ontario section. Then comes the northern Ontario section of 674 miles to be built by a crown corporation. Beyond that is the section of 432 miles from Kapuskasing

to Toronto, and then the pipe line from Toronto to Montreal to complete the whole line.

How are these others to be built? We do not know that, but we know that this government is committing this parliament and the people of Canada to public construction of a stretch of 675 miles across northern Ontario. Now we are on third reading. We have passed the preliminary committee stage. We have passed the stage when this could be discussed on second reading and the principles considered. We passed through the committee without being given the opportunity to even examine six of the seven sections, and now we are on third reading, the final stage.

That being so, I want to go back to what I said on March 15, and to any who are uncertain in any way about the position we have taken may I emphasize the words I spoke at that time on behalf of our party, as recorded at page 2180 of *Hansard*:

> Therefore if it comes to the stage where this government forces through an unnecessary venture of this kind, then there is only one thing to do and that is build the whole pipe line and not just part of it, and have control over the whole line.

That, Mr. Speaker, was what I said on March 15. That was the position I put forward on behalf of our party at that time, and I put that position forward today.

An hon. Member: Public ownership.

Mr. Drew: "Public ownership", I hear on the other side. Yes, this government is committing us to public ownership. This government is placing before us now a bill to set up a crown corporation to build 675 miles under public ownership, but then adds this mongrel arrangement under which it puts up the taxpayers' money to hand over to Trans-Canada Pipe Lines to build the other section out in the west, and does not even tell us what it is going to do with the 110 miles between Winnipeg and the Ontario boundary or the stretch between Kapuskasing and Toronto. This pipe line through northern Ontario, if they get to that stage, could be an orphan.

Now, Mr. Speaker, we believe that if a committee had been set up, if the proper inquiry had taken place, this whole line could have been built by Canadians under such a plan of private ownership as has been set forth in this house. However, we recognize now that this stage is past. We recognize now that this government commits itself here on third reading to proceeding with public ownership of a part of the line. It would be an absurd position to have public ownership of the 675 miles and then have private ownership of the parts on both sides, with all the conflicting difficulties which would be raised by that situation.

There would also be the fact that if for any reason Trans-Canada Pipe Lines did not fulfil its undertakings—and it will be the first time it did if it does now—then in that case the government would be left with an orphan. There would be only one thing the government could do and that would be to proceed to expropriate any other parts of the line then in existence to complete the whole line. Let us anticipate that, then. If we had had the opportunity in committee to deal with these matters we could have made recommendations.

The Prime Minister said today that we made no suggestions. We were not given the opportunity. There could have been proposals. Now, on third reading, we say to the government: You want to get ahead with the pipe line. All right, if you are determined to follow the course of going ahead with the pipe line with a crown corporation, go ahead with it but expand the crown corporation and give that crown corporation the power to build the whole line from the Alberta boundary right through to the east. That was what I said on March 15, and I repeat it:

> Therefore if it comes to the stage where this government forces through an unnecessary venture of this kind, then there is only one thing to do and that is build the whole pipe line and not just part of it, and have control over the whole line.

Now, Mr. Speaker, the government surely is not going to tell us that it cannot obtain the pipe to proceed with this construction. That pipe has been ordered for this particular construction. There is no other operation on the North American continent that is at this moment in need of 34-inch pipe. If the crown corporation is expanded and given authority to build the whole line it can, without any question, acquire that 34-inch pipe to proceed with the western section right away, and there need be no delay.

But just at this point let me deal with the suggestion that has been made that there might be two or three years' delay if we do not proceed, no matter what the terms are, with this chosen instrument of the government, Trans-Canada Pipe Lines. Why, Mr. Speaker, this 34-inch pipe was only ordered last October, and it was proceeding to delivery in six months' time. There is no reason in the world why similar pipe cannot be obtained at any time within six months after the order has been placed. But that is only a speculative proposition. Talk of two and three years is sheer and unadulterated nonsense, the kind of bluffing this government has been doing from the very beginning in connection with this whole operation.

Let them go ahead. Let them introduce a bill to expand the operation of the crown corporation to embrace the whole line. They can get the pipe. They can proceed with the construction; we can assure control of the pipe line for Canadians, and we can assure prices that are advantageous to Canadians instead of permitting big gas operators in the United States to set prices that will be unduly favourable to them. In this way if the government, having committed itself to public construction under a crown corporation for the 675 miles, will expand that operation to embrace the whole line, it can start immediately. It can start with the pipe that is available and with the skill that is available as well.

In that way we will have Canadian gas moving in Canada and we will be able then to lead from strength and not from weakness. If we want to get the best prices for Canadian gas in the export market the surest way to get those prices is not to be dependent upon permission to enter the export market. The best way is for us to have our own line and then, having our own line, make the best deal we can and be sure that we are not simply being taken for a ride by the Tennessee Gas company and their subsidiaries in the United States. Now, Mr. Speaker, this is now in its final stage.

Mr. Harris: Hear, hear.

Mr. Drew: Yes; and in spite of the fact that the Minister of Finance says "hear, hear", I feel sure there are to be some further speeches on this subject before the axe falls tomorrow night. This thing is in its final stages. It is in the position where, after it is passed tomorrow night under closure, there simply ensues a brief intermediate period and then royal assent. Let this government, even at this late date, act as though they really were representing Canadians. Let them speak up for Canada. Let them take a course that will preserve this great natural resource for the benefit of Canadians in the years ahead, and let us make sure that the profits that are going to accrue from these resources will be for the advantage of Canadians and for those who follow after us.

Above all let us make sure that as this line goes through Canada the policies that are adopted will be policies which will encourage Canadian development.

I move, Mr. Speaker, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

That the bill be not now read the third time but that it be referred back to the committee of the whole with instructions that they have power to amend sections 5, 6 and 7 thereof to include the agreements made with Trans-Canada Pipe Lines Limited as schedules to the bill and add other sections necessary to ensure that the bill shall give effect to one of the following principles:

First, the immediate agreement of Trans-Canada Pipe Lines Limited to reorganize as a company under effective Canadian ownership and control and to undertake construction without a grant of public money, in accordance with the assurances upon which its charter was granted by parliament; or

Second, failing such agreement, the immediate consideration of other proposals submitted by any other persons or companies for the immediate financing and construction of the pipe line under effective Canadian ownership and control and without a grant of public money; or

Third, enlarge the powers of the crown corporation so that the entire pipe line may be constructed immediately under public ownership.

Mr. Harris: Mr. Speaker,—

Mr. Speaker: Order. This is the first round of speakers on third reading. It is customary to recognize the leaders of the three opposition parties before a government member is recognized. The person who moved the third reading could have made a speech. I recognize the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, as the Leader of the Opposition (Mr. Drew) said in his concluding remarks, we are now in the final stage of this bill giving certain powers to the crown company and authorizing the building of the pipe line from the Alberta-Saskatchewan border to a point in the vicinity of Winnipeg. At the very outset of my remarks I want to say that I consider this to have been one of the most revealing debates we have ever had in this parliament. It is revealing because of the fact that the opposition has been gagged and muzzled at every stage; and, may I say, it was misled earlier than it was gagged.

Hon. members of this house may recall what happened on the afternoon of May 7. There had been some reports in the newspapers and elsewhere that the government of Canada had entered into an unusual agreement to finance the line from the Alberta-Saskatchewan boundary to a point in the vicinity of Winnipeg. Therefore because we felt that the proposals we had been making ever since this pipe line was first talked about in this country should receive some consideration before any agreement of the type that was rumoured was made and because we felt that the house should have an opportunity of expressing itself before a final resolution and bill were introduced, on that afternoon of May 7 I rose in my place and moved:

The adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely, the advisability of this house expressing its opinion

on the method to be employed in the financing of the western portion of an across-Canada gas pipe line.

I deliberately refrained from calling the gas line the trans-Canada line because I knew that adjective had a peculiar connotation; and I wanted to discuss how best we could build the pipe line to convey the quantities of gas which we all want to see utilized in the best manner for our country and most economically in most parts of Canada.

The Speaker suggested that there was a resolution on the order paper but the Minister of Finance intervened and, as reported at page 3612 of *Hansard*, he said this:

On the point of order, it seems to me that we are doing by indirection what cannot be done by direction. The leader of the C.C.F. party is seeking to have an expression of opinion in favour of an expenditure of money for a particular purpose which can only be recommended by the government to the house.

I quite agree that the expenditure, when it came, had to be recommended by the government and what a recommendation we got!

An hon. Member: More trickery.

Mr. Coldwell: The minister went on to say this:

Then I am not just sure what else could be in the motion except that. If my hon. friend makes the point that he does not propose to seek to have the house declare itself in favour of a public ownership system, then I am not aware of what the point of the motion is.

The point of the motion, of course, was that we should endeavour to discuss an important proposal in order that the house might give the government some direction. But the government, of course, never needs any direction from the house; it never needs any direction from anyone except the ministers who sit on the front bench.

Mr. Knowles: It just follows its own blind course.

Mr. Coldwell: The minister had something more to say. I am quoting from page 3613 of *Hansard* of May 7. He said this:

Just in order to clear up the final point—

That is the point of what was going to be done:

—Mr. Speaker, may I say this. It seems to me that when the present resolution on the order paper with respect to Trans-Canada is called for discussion, every avenue of discussion with respect to the building, the financing or the like is open to opposition members.

Mr. Dufresne: A one-way avenue.

Mr. Coldwell: "Every avenue", he said. On the introduction of the resolution foreshadowing this particular measure—at that very moment, before one solitary word of criticism had been uttered from this side of the house—the Minister of Trade and Commerce gave notice of the motion for closure. He did that before one word could be said on this side of the house. Mr. Speaker, I say that was an unprecedented thing to do. I have never heard of it being done anywhere else. It was the most deliberate attempt to gag this parliament of which I have any knowledge. Then the Minister of Finance went on to say this:

It may be true—although I do not think in this house we accept these statements at face value—that it is the case that the western section will not be built this summer unless certain action is taken immediately. But in any event that is not a reason for urgency.

That is not a reason for urgency, the minister said, referring to the building of the line this summer.

Mr. Harris: No; urgency of debate.

Mr. Coldwell: He said further:

The urgency is on the matter of debate . . .

Mr. Harris: Quite.

Mr. Coldwell: The minister said this was not a matter of urgency, giving me the impression at the time that there was plenty of time to consider and debate this particular matter—when it came before the house. The next afternoon, on May 8, the Minister of Defence Production—

An hon. Member: The Minister of Trade and Commerce.

Mr. Coldwell: —or the Minister of Trade and Commerce, I mean, rose in his place and said he wished to make a statement; and he made a statement, confirming what the newpapers had been saying, about the proposal to build the line from the Alberta-Saskatchewan boundary to a point in the vicinity of Winnipeg. Then a resolution went on the order paper. That was a resolution which was, Mr. Speaker—and I say it once again although the contention has been disallowed by Mr. Speaker and by the house—absolutely out of order when there was another resolution in exactly similar terms, except that there was something added in the second one, already on the order paper. I say that at the very first opportunity closure was indicated. Then closure was moved. Of course the opposition objected to this. The opposition fought this gagging strenuously throughout, and indeed we almost lost sight of the pipe line in this house in the fight for the rights of the members of the House of Commons.

We have to have speed. Speed was the issue. This measure had to be put through

by June 7. Well, I am going to say something about that date in a few moments. June 7 is very close and we are under the gag again tonight, under the axe. We had to have speed. I was looking at a very interesting article tonight in the Ottawa *Journal* written by Mr. I. Norman Smith, and he refers to the matter of speed or the lack of speed. It reads:

> There has never been any dispute about it: by abandoning certain old-fashioned rules of parliamentary procedure Mussolini did make the trains run on time.
>
> And certainly by burning the Reichstag Hitler removed irritating obstructionist tactics that were in the way of the will of the majority.

Mr. Pickersgill: The same tactics which have been used by Britain for years.

Mr. Coldwell: I used to think of the hon. gentleman as a Liberal. I do not think of him as a Liberal any more. The article continues:

> Russia, too, a zealous devotion to the ends regardless of the means has developed the country to great power and the voice of the meddling dissenter is gone from the land.

Mr. Goode: I think the hon. gentleman can do better than that.

Mr. Coldwell: You can groan all you like.

Mr. Hahn: Tell us about the cement factory in Saskatchewan.

Mr. Coldwell: As a matter of fact I could expose every falsehood that has been put on the record with regard to Saskatchewan. As I said at the beginning, I am not going to fall into the trap—

Mr. Hahn: No, you bet you are not.

Mr. Coldwell: —I am not going to fall into the trap set by our semi-fascist opponents as a diversion and discuss the Saskatchewan election, the New Brunswick election or the Quebec election. I am not going to do any of those things. I continue quoting from the article.

> For sheer headlong efficiency and "getting things done" there can be no doubt the nice-Nellieism of parliamentary procedure, its yeas and nays, its checks and balances, is hopelessly even ludicrously inadequate.

I thought that was a very good summary of the house at the present time.

Let me take a look at the bill again. We have had no opportunity to discuss this bill clause by clause.

Mr. Pickersgill: Through your own fault.

Mr. Coldwell: The hon. gentleman says, "through your own fault." I want to say to my hon. friend that I think it is not a fault but a virtue on the part of parliamentarians to fight for the rights of this parliament.

When clause 1 came before the house, the clause upon which members of parliament can find out the implications of the bill by questions and discussion, what did the minister do? He moved that further consideration be postponed, further consideration when there had been no consideration. He merely read a few lines to indicate what the clause was. Clause 2 received the same treatment; clause 3 the same treatment. We were denied the right to discuss the clauses which named the corporation in the agreement.

We got to clause 4. Clause 4 spoke of a corporation which it did not name, and because of the outcry in the country, because of the attitude of the press, we discussed clause 4. Then we were under closure. Clause 5 was moved; clause 6, clause 7 and the title were moved under closure without one sentence of discussion. I said that evening, and I repeat, that the people who were in the well-filled galleries of the house that night saw a mockery of this parliament and of parliamentary procedure.

Let us look at clause 5. What does clause 5 say? It says:

> The corporation—

Named in an earlier clause.

> —is established for the purpose of
>
> (a) acquiring real and personal property for the construction, maintenance and operation of and constructing, maintaining and operating the northern Ontario section;
>
> (b) leasing, with an option to purchase, the northern Ontario section to Trans-Canada and carrying out such lease, including disposal by the corporation of the northern Ontario section in accordance with such purchase option; and
>
> (c) doing such other matters or things as the governor in council may deem necessary to fulfil—

Notice the following words:

> —any agreement or arrangement, made before or after the coming into force of this act—

This gives authority to the government to make any agreement, the one that was tabled in the house and the one which should be attached as a schedule or appendix to this bill and which I venture to guess quite a number of the members have never read and never had in their possession.

Mr. Knowles: Not enough copies were made available.

Mr. Coldwell: Not enough copies were made available; we had to hunt around and get mimeographed copies of the agreement in order that we might study it. The clause continues:

> —between the government of Canada and the government of Ontario or the government of Canada and Trans-Canada with respect to the financing, construction, leasing, operation maintenance, improvement and disposal of the northern Ontario section.

Northern Ontario Pipe Line Corporation

We have been told that this agreement must become effective by June 7, otherwise the company would not go ahead with it. Yet what has the company been doing? In the past couple of weeks we have read in the newspapers that they have placed contracts for pipe in Britain. I am glad they have placed some there. They have placed contracts in Welland, and again I am glad they have placed some contracts there for pipe to build the northern Ontario section. We have been told that unless we approve this bill it is doubtful whether the Trans-Canada company would undertake the task of building the line. Either they have an understanding with the government that at all costs this measure will be rammed down the throat of parliament, or they have greater faith in the word of the ministers than some of us feel inclined to have.

Now, what about this agreement? I am going to jump over to clause 7. We are told in that clause:

> Pursuant to an agreement in that behalf made, with the approval of the governor in council, before or after the coming into force of this act, between Her Majesty and Trans-Canada . . . the corporation may, on behalf of Her Majesty—

—do certain things. Now, how many hon. members of the house have seen the agreement? How many have read the terms of that agreement? On the second reading of the bill I put on the record the safeguards the company demanded so that if they did not complete the pipe line by next April they could find numerous excuses for the delay. I put those on record on the second reading of the bill. When we look at paragraph 13 of the agreement, for example,—an agreement made in the interests of Canada—what do we find?

> It is a condition of the making of any loans hereunder that the crown company be provided with a favourable opinion or opinions, upon such matters relating to such loans as are required by the crown company,
>
> (a) by the solicitors for Trans-Canada and
>
> (b) by the solicitors for the crown company who may in giving their opinion or opinions rely on the opinion or opinions of the solicitors for Trans-Canada.

Mr. Harris: Or their own solicitors.

Mr. Coldwell: I beg your pardon?

Mr. Harris: Read the next one.

Mr. Coldwell: Read the next paragraph? Certainly. However, I point that out:

> . . . who may in giving their opinion or opinions rely on the opinion or opinions of the solicitors for Trans-Canada.

Now we will read on:

> Trans-Canada represents, warrants and covenants that
>
> (a) it shall upon the execution and delivery of this agreement use its best efforts to obtain as soon as possible all necessary permits and licences and orders or amendments or renewals thereof from all authorities and persons including the board of transport commissioners for Canada and the petroleum and natural gas conservation board of Alberta to enable it to proceed with the construction of the western section—

I am not going to read all these; I will let the minister do it. However, Trans-Canada warrants and agrees to do certain things, and paragraph 13 certainly says what I have just read:

> . . . such matters relating to such loans as are required by the crown company,
>
> (a) by the solicitors for Trans-Canada and
>
> (b) by the solicitors for the crown company who may in giving their opinion or opinions rely on the opinion or opinions of the solicitors for Trans-Canada.

I would like to revert to the purchase of pipe for a moment, if I may. You know, one of the newspapers that has been giving a great deal of attention—and practically all the newspapers of Canada have been giving a great deal of attention—to this particular deal is a paper which has a long Liberal tradition. I suppose there is no paper better known in Canada for its fundamental Liberalism through the years than the Winnipeg *Free Press*, either under its present name or the name by which we knew it in the early days in western Canada, the Manitoba *Free Press*. What does it say?

I may say, Mr. Speaker, I am about to quote from an editorial. In doing so I am following the example of the Prime Minister of Canada who this afternoon read into the records two rather long editorials.

Mr. Fleming: From the only newspaper in Canada that supports him.

Mr. Coldwell: I am aware of the fact that the Prime Minister was not checked by the Speaker and that, of course, according to the rules neither he nor I should read editorials regarding the business of the house; but since the Prime Minister did it this afternoon I am going to claim the same right.

Mr. Cameron (Nanaimo): It is just another rule that went out the window.

Mr. Deputy Speaker: I believe the actual wording is if it "reflects on the proceedings".

Mr. Stewart (Winnipeg North): This does.

Mr. Coldwell: There was reflection on parliament this afternoon. The editorial reads:

> The government's bill creates a crown corporation which will build and, for a time at least, own the northern Ontario section of the pipe line, leaving it to the Trans-Canada company to operate. On Tuesday Mr. St. Laurent was asked how the building of this section of the line would be carried out. He replied that—

And they quote him:

"It would be built by the crown corporation, of course, under contracts for which tenders would be called in the usual way."

The editorial continues:

Unfortunately, the Trans-Canada company has in fact now ordered the pipe for this "crown" line. Mr. Howe on Wednesday calmly confirmed this; indeed, he had suggested that Trans-Canada place the order with it—

And this appears in inverted commas:

—"clearly understood" that the government could take over the pipe.

The editorial goes on to say:

This is extraordinary. The whole argument for providing the Trans-Canada company with the money to build the prairie section is that it alone can have the necessary pipe. Why on earth should the government depart from the ordinary rules governing the open dealings of crown corporations and put the northern Ontario section into a position of dependence on what Trans-Canada does or does not do? All the rush in parliament is supposed to mean, after all, that the new crown corporation can be in existence in a matter of days. Why would it not have been possible to put off the pipe order that long, and so get it in the proper way without dependence on Trans-Canada?

The editorial concludes:

This episode is even more mysterious than the previous one which showed the inadequacy of Trans-Canada's option on the pipe for the prairie section of the line. If Mr. Howe has any explanation, it is urgently necessary for the government's case that he give it promptly and fully.

Mr. Rowe: What paper is that?

Mr. Coldwell: That paper is the Winnipeg *Free Press*. One can look at the papers published throughout this country and see papers which normally support the government publishing the same sort of editorials.

I do not know how many of you can see this, but I hold in my hand a cartoon published in another of the leading western newspapers where it is said there is so much support for this particular proposition. This cartoon is from the Saskatoon *Star-Phoenix*. The cartoon shows, of course, a balance, a scales. On the one side there is depicted a pipe-line start in 1956 away up in the air, and weighted down heavily on the other side we have parliament gagged and muzzled, a big bag containing the $80 million loan for the prairie section and $118 million for government loans for the northern Ontario section.

Mr. Knight: What is the title?

Mr. Coldwell: The title is "Is it Worth the Price?" I wonder, is it worth the price? In my opinion, Mr. Speaker, the people of Canada are being betrayed and they are being delivered, as this government has delivered us, gagged and muzzled, into the hands of this powerful group of United States oil magnates.

That is what is happening in this country today, and when we are fighting this proposition we are fighting to preserve the right of this country to control its own destiny. We have watched our natural resources, resource after resource, slip into the hands of powerful foreign companies for processing, so that our iron ore goes from this country and steel comes back at a high price and high profit. Our pulp and paper crosses the line and comes back to us in the form of all sorts of magazines, some of which are good and some of which are objectionable. It also comes back in various other forms. Now we are going to give them one of the greatest sources of power, if this Tennessee Gas company can secure licences from the federal power commission to import the gas into the United States.

I welcomed tonight the statement of the Leader of the Opposition that the first three propositions he made some time ago are now beyond the realm of possibility and that consequently he falls back on the fourth proposition he made on March 15, that this line should be built by the public of Canada, owned by the public of Canada, controlled by the public of Canada and operated by the public of Canada to distribute across Canada first a valuable and great Canadian natural resource. That has been the position we have taken from the outset.

Oh yes; we have been told there are difficulties in the way of the government operating a line like this. Of course there are difficulties. The government would have to negotiate for the gas with the producers in Alberta. How many producers are there in Alberta? In the main not more than a dozen companies are involved, and those companies are United States companies who have gained control, and I am not blaming them. I am not blaming even the province of Alberta, in the financial situation in which the provinces find themselves, for entering into the agreements, although I cannot agree with some of the ideas behind the Alberta agreements with the companies which discovered oil and gas in that province. But I am saying it is not a case of negotiating with thousands of producers; it is a case of purchasing, if you will, gas from wells that are under the control of a few powerful private corporations.

I know that the president of Gulf Oil company stated some months ago that he would not allow his gas to be used by any corporation in which the government was involved. Who does he think he is? This

United States financier comes into Canada and tells the Canadian people that he will not allow them to use one of their own great resources. Where has this country got to; where is this country going?

I want to say, as I have said before in connection with this matter, that if this kind of thing continues for any greater length of time the day will come when we shall have lost our economic independence and will be dependent upon the United States of America. An attempt will be made ultimately to make this country part of that one. I want none of that, because in spite of all the disappointments we have suffered in this parliament in recent days I still believe that the parliamentary system of government is better, provided we can preserve it, than any other form of government of which I know. But in the past two weeks we have seen it steadily undermined by a government which should be doing its best, particularly in these days, to preserve it and the autonomy of our country.

It is said it would be difficult for the federal government to distribute this gas to consumers. I grant that immediately. We have never suggested that the federal government should distribute the gas. What we have said is what Mr. Leslie Frost, the premier of Ontario, said some time ago. Remember that Mr. Frost only accepted this, as the Ontario *Hansard* bears out, because it was the federal government that had made the decision. When the bill was introduced into the Ontario legislature, Mr. Porter and Mr. Frost made it abundantly clear that their bill was drafted in such a manner that if this parliament felt the present proposition unwise or if for any reason the present plan fell through, they could enter into any other arrangement with the government of Canada. That was his original idea.

I want to say tonight that under a plan whereby the government would own and operate the main gas line the gas could be distributed by any means a province desired to use. If a province wished to distribute the gas by a private enterprise corporation the government could enter into an agreement with that private enterprise corporation to distribute it. But my expectation is that the provinces would do as they have done with electricity, that they would decide to distribute gas through public ownership.

Under this plan the figures produced by the Minister of Trade and Commerce and even tonight by the Leader of the Opposition may make some people think they are going to get pretty cheap gas. But when we look at the figures for the city of Winnipeg, for example, we get some idea of what they are going to pay. The gas company at Winnipeg will pay 28.3 cents per thousand cubic feet, The Central Gas Company are asking permission to charge $1.10 per thousand cubic feet for the gas they are going to get for 28.3 cents per thousand cubic feet. I hear one of my Social Credit friends saying it will be 90 cents in Saskatchewan, but I do not know that it will be 90 cents in Saskatchewan.

An hon. Member: Rosetown-Biggar.

Mr. Coldwell: My friends in Rosetown-Biggar are delighted that the small towns along the way are going to have the benefit of this gas. They are not complaining, because they know that the long pipe line and the cost of distribution and hooking up with little places like Delisle and others along the way have involved the government in more expenditures than a powerful company would put up merely to link city to city.

An hon. Member: How about the small towns in Alberta?

Mr. Coldwell: They get gas at a lower price because they are near to the gas fields, but that is not the real reason. When I was in Alberta over 40 years ago there were places with natural gas. The pipe lines were put in when the cost of construction was quite low and the development could be done for very little.

Some hon. Members: Oh, oh.

Mr. Coldwell: If my hon. friends want to make a speech let them do so.

Mr. Knowles: They voted for closure.

Mr. Coldwell: They are hooked up with the government so completely that they are speechless, therefore they have to mutter. They had their gas lines laid when the cost of laying was quite low. They are paid for now. If the consumers of Alberta are not getting the benefit of lines which have been paid for, then it is a case for investigation.

I am quite pleased and happy to know that the government of my province is trying to give the people in the smaller places a break in connection with this great natural product. The people of Winnipeg are being told by the local company that they are going to have to pay $1.10 per thousand cubic feet for gas which that company will receive from the pipe line for 28·3 cents per thousand feet wholesale.

When you look at this agreement and this project you begin to see the extent to which parliament should have gone into this matter. I agree with the Leader of the Opposition completely that this proposition should have

gone to a committee of this house for investigation. There is no question about it; the more we go into it the more we see the need for that investigation. But that we were denied. Of course it was referred to a committee five years ago. Five years ago when the hon. member for Vegreville (Mr. Decore) came to this house to get a charter for Trans-Canada Pipe Lines he told us that this would be a Canadian project, that every cubic foot of gas would be available for Canadian consumers, that the gas would be distributed right down into the province of Quebec, and that the company would be financed by Canadians.

Then it went before the committee and the officers of the company confirmed those statements. They went further and said it would not be necessary to export any surplus gas to the United States in order to make this economical, that it would be economical without it. Now we are told that unless this company can export gas to the United States they cannot get the line through. What chance have they of getting permission from the United States? It is now before the federal power commission and is likely to be before that commission, I was going to say for months—I am certain I am right in that—and it may be before that federal power commission for years. Then I suppose we shall have other propositions made to us.

The Leader of the Opposition drew attention to something else that is worth drawing attention to; that is, this $80 million or 90 per cent of the cost of building the line from the Alberta border to the vicinity of Winnipeg, which the people of Canada are going to finance by way of a loan to the company. We are going to finance this just as we are going to finance and build the northern Ontario bridge—so we understand though it looks as though Trans-Canada is going to build it, without tender, by the manner in which they are purchasing pipe in various parts of the world. We have not been told of what is going to happen to the 110 miles from the vicinity of Winnipeg to the Manitoba-Ontario border. Are we going to have an empty pipe line across northern Ontario and a pipe line delivering gas nowhere except to the city of Winnipeg and vicinity?

Who is going to build the 110 miles, and when is it going to be built? We do not know. The company says it cannot proceed with this line unless we lend it up to $80 million or 90 per cent of the cost. They have no money. Yet associated with this proposition are some of the most powerful United States companies. Of course they would rather get the money from Canada at 5 per cent, because they probably can utilize their own resources and finances to greater profit in the United States or elsewhere. So they come to us and ask us to lend this money to a company which is 83·4 per cent United States owned. I am not going to put the breakdown on the record again, because it has been put on on so many occasions.

I see my time is running short. I am told it is up.

An hon. Member: Go ahead.

Mr. Coldwell: No, I am not going ahead, because I do not want to impose on the rules, particularly as there will be closure tomorrow and I may prevent some of my friends from making contributions they wish to make. Though I have something else to say, Mr. Speaker, since my time is up I am going to sit down.

Hon. W. E. Harris (Minister of Finance): Before the leader of the C.C.F. party preens himself too much on the capture of the Tory party, may I point out to him that in the amendment moved by the Leader of the Opposition there is no reference to public ownership in any positive sense whatsoever.

There are three propositions in the amendment. The first one—and mark that it is the first one—is that there should be a reorganization of the company. The second one—and mark that it is the second—is that there ought to be some inquiry made about other persons who might do this work. Then in the third—and the third only, the leader of the C.C.F. party should note—if all these others have failed, we should consider public ownership. May I tell my hon. friend that this is consistent with what the Tory party did when it voted down public ownership on his amendment on second reading.

An hon. Member: They did not throw democracy out the window.

Mr. Harris: I have been wondering about this alliance for some time. I have been wondering what has been happening in the last few hours in this house. It seems to me that perhaps something did happen in Toronto the other day. I have not had an opportunity to read the newspapers at any great length, but I did understand that the hon. member for Eglinton (Mr. Fleming) was on a platform in the city of Toronto and delivered an attack on this government. I also understand that on the same platform appeared the leader of the provincial C.C.F. party, and if I understand the report correctly it said that he took some skin off the Tory provincial premier.

What a combination. The hon. member for Eglinton in this house interjected in the

speech I made two weeks ago today that it was not true that his party was in any sense attached to the McMahon plan. Since I pointed out to him the quotation from his colleague the hon. member for Broadview (Mr. Hees), I have not heard from either any denial.

Now let us look for a moment at the amendment the leader of the Tory party has moved. The second proposal was that we should consider certain other alternatives, and he mentioned, among others, the Champion plan and the Gairdner plan and the McMahon plan. I am going to refer just briefly to the Champion plan, in case his colleagues in the C.C.F. party have never bothered much about it.

Mr. Coldwell: I have.

Mr. Harris: The Champion plan was one which said at the very beginning that Mr. Champion did not believe in a trans-Canada pipe line. That is one of the alternatives the leader of the Tory party wants us to consider.

What was the other one he suggested? He suggested the Gairdner plan. I wonder whether the members of the C.C.F. party have read the correspondence on that. I point out to them that clause 4 of the memorandum for discussion sent to this government by the Gairdner company said that agreement would need to be reached with the government of Canada to relieve the company of the necessity of paying corporate income taxes for a period of ten years from the commencement of operations.

Mr. Coldwell: We would never have supported that. We supported the one course.

Mr. Harris: In complete fairness to the Gairdner gentleman who proposed this, I want to point out that later on he sent a telegram in which he said in effect, "Since no one has complained about my plan, I think everybody is in agreement with it". Well, it was in such a condition that no one would take it seriously, and that is why he received no protests about it. Yet the Tory party would have us consider this plan. They would have us take the time of a committee of this house to consider a plan put forward for exemption from corporation income tax, something which I think, except within the statutes which provide for certain conditions of exemption for three years and so on, has not been proposed in this house by any party at any time. It makes me think a little of the Tory party of a former generation which at one time issued tax-exempt bonds in this country.

There is another feature to this debate that has been extremely interesting, and that is what has been said by my hon. friend from Prince Albert (Mr. Diefenbaker).

Mr. Diefenbaker: Speak about the McMahon plan.

Mr. Harris: I am going to speak about the McMahon plan again. The hon. member for Prince Albert was the one who spent, I would say, almost two-thirds of his speech advocating the McMahon plan without quite advocating it. You know how the hon. member for Prince Albert can make a speech for 40 minutes and when it is all over he can deny every word in it because he did not really come out and say he was in favour of anything. The McMahon plan was a simple one. I went over it—

Mr. Diefenbaker: Did you see Mr. McMahon?

Mr. Harris: No, I do not know Mr. McMahon and I have not seen him. Mr. McMahon made a proposal, which was perfectly simple. It was a proposal that he be permitted to export out of Emerson 400 million cubic feet of gas per day, twice as much as this government was prepared to grant, and if that were done he could finance the thing himself. Sir, I am not familiar with the technique involved, but it does seem to me that anyone could finance it under those conditions.

Some hon. Members: Hear, hear.

Mr. Harris: But I come back then to the real restraint on this parliament with respect to this particular legislation, and that is that the government have said that at the present time we will not permit the export out of Canada of more than 200 million cubic feet a day, and any company concerned with this matter will have to take that into account in their proposals. So far as I know McMahon has never made a proposal to this government based on 200 million cubic feet a day, and I doubt very much if he would be likely to do that.

At the same time the leader of the Conservative party took a strange line tonight which I want to talk about for a moment. I think perhaps what I said two weeks ago might have been considered a little in the meantime. In any event, he began to complain tonight not that 400 million cubic feet a day were going out of the country but that 150 million to 200 million feet were going to some particular steel company in the United States. Yet his own follower two and a half weeks ago was recommending that twice as much should leave this country, something

which would be selling out the country far more than any protestation they may have about this particular deal.

Now, sir, may I speak for a moment about prices. Tonight we have heard a long speech by the leader of the Conservative party about prices and average prices; and this, of course, is a follow-up to what the hon. member for Prince Albert (Mr. Diefenbaker) said. You know, sir, somehow they do not seem to have considered what the law of this country is, and I want to repeat something that has already been put on the record but which is blissfully ignored by all those who speak in the opposition.

Mr. Diefenbaker: You had better tell Trans-Canada not to make these false representations.

An hon. Member: Oh, shut up.

Mr. Harris: In the regulations under the Exportation of Power and Fluids and Importation of Gas Act there appears regulation No. 9 headed "Export Price", which regulation is as follows:

> The price charged by a licencee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

This means, Mr. Speaker, that when a licence is granted for the export of gas out of Canada—and that licence has not yet been granted—it is going to be subject to these regulations, and these regulations will be enforced by the government of Canada to see that the export of gas is not at a price lower than the price for gas supplied in Canada.

Mr. Diefenbaker: Is Trans-Canada falsifying its evidence?

Mr. Harris: The hon. member for Prince Albert, by the way, has made me think again of something the leader of the Conservative party said a matter of ten days ago. At that time he was moving an instruction of some kind that we should split the bill so he could discuss separately the loan for the western leg and then the northern Ontario section. I have been wondering about that. I have wondered whether he was trying to get out of the trouble that the member for Prince Albert had got him in with his famous broadcast when he threatened us with a filibuster in this house.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That is just a childish remark.

Mr. Harris: After all, the northern Ontario crown corporation, for the purpose of constructing in conjunction with the government of Ontario the northern Ontario line, was something on which the hon. member for Prince Albert was threatening us with a filibuster because we had not yet produced the bill that is now before the house.

Mr. Diefenbaker: That is a false statement and you know it.

Mr. Harris: At that time the hon. member threatened that we would indeed have difficulty in putting that particular bill through. It seems to me that if the leader of the Conservative party had been able to divide the bill it might be possible that he would have gone along with the premier of the province of Ontario in his agreement with this government in order to construct the northern Ontario section.

Mr. Drew: What a silly statement.

Mr. Harris: But the member for Prince Albert had already nailed him down to filibustering the bill, and he had to go through with it. As a matter of fact, sir, after I spoke on this subject the hon. member for Prince Albert was kind enough in his reply to say that I had, with a certain specious sanctimoniousness, addressed myself to the subject of his remarks. Well, I had not been conscious that I had had that air in this house, but if I did I respectfully ask all hon. members to forgive me and I will try to practice getting away from it. But I do want to say that if there is one member in this house, as I said before, who makes speeches without really wanting to have them held against him, I cannot recommend anyone better than the member for Prince Albert.

May I speak now for a moment of the leader of the C.C.F. party, what he has read from the newspapers and what he said about what has happened in parliament in the last two weeks. I wonder whether he has forgotten his history when he speaks about the Reichstag. It was not Hitler with his majority who ruined democracy in Germany. It was Hitler with his minority who upset the government of the day. It was only after he had forced on the people of Germany two or three general elections—I have forgotten the exact number, but shall I say three?—within two years and after he had made demonstrations both in and out of the Reichstag and had beaten up his opponents on the street corners and had done many other things of that sort that he brought the democratic process to an end. It was only then that he took over and for the first time the condition arose to which my hon. friend referred.

Mr. Coldwell: You are achieving it just a bit earlier.

Mr. Harris: Mr. Speaker, I am going to pursue the subject a little further, and I am going to discuss what has happened with respect to this bill in the past three weeks. It began three weeks ago today. I do not recall a bill being before parliament for three solid weeks, except perhaps for one day, in my time, although there may have been such occasions and if there are I accept the correction. But three weeks today we introduced the resolution preceding the bill and we have been talking about it every day with the exception of perhaps one-half day on a Wednesday.

But what has happened in that time? I have made some hasty calculations which may be wrong, but they will not be wrong by more than two or three. I find, for example, that during that period the leader of the C.C.F. party has spoken 15 times. I find that the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Kamloops (Mr. Fulton)—I am not sure which is the senior partner but I accept whatever definition they want to make—have spoken more than 30 times in three weeks.

An hon. Member: A good team.

Mr. Harris: I find that the leader of the Conservative party and the hon. member for Fleming—

Some hon. Members: Oh, oh.

Mr. Harris: I must apologize, sir. I have known the hon. member for so long that I am inclined to think of him personally rather than as a member. The leader of the Conservative party and the hon. member for Eglinton (Mr. Fleming) have spoken more than 20 times in the past three weeks.

Mr. Fleming: Are you counting the times we tried to speak and were not allowed to?

Mr. Harris: Mr. Speaker, if this is a gag I think I ought to have a new definition of what a gag is.

Mr. Rowe: We were speaking about the gag.

Mr. Harris: Yes, I am going to speak about that right now, and I am going to ask the hon. member for Prince Albert and the hon. member for Eglinton what they meant when about two weeks ago and again this afternoon they referred to closure in the United Kingdom being by consent. Mr. Speaker, I have never heard of closure by consent, and if they were suggesting that they would have been agreeable to closure here then it is something new in Canadian parliamentary history.

Mr. Fleming: I did not refer to it being by consent.

Mr. Harris: I can tell you about closure in the United Kingdom, Mr. Speaker. Closure in the United Kingdom is closure. Some time in the middle of an afternoon someone moves, in the United Kingdom, that this question be now put. In this house that is nothing more than a motion which will prevent further amendment to the bill. It will not prevent discussion. Everyone can speak on it. But over in the United Kingdom it means what it says. The question is put at that particular moment.

Mr. Diefenbaker: No. The Speaker determines that. You are wrong.

Mr. Harris: Then at ten o'clock that night, if that motion happens to have been made on an amendment, any member in the United Kingdom parliament can get up and claim that all the preceding motions—that is including the main one—be put; so that between three o'clock in the afternoon and ten o'clock at night you can pass a bill through all its stages. The Prime Minister put on the record the other day a quotation from the labour prime minister of the United Kingdom in which he said that now that he was in government and had been in opposition for some time, he knew perfectly well that it was the duty of the government to govern and to do what they thought was in the interests of the country, and to take the responsibility for doing so.

What is the situation with which we are now faced? We are faced with a Conservative party that now comes forward with an amendment which it hopes will bail it out of the difficulties it has been in ever since this resolution was introduced. This is what they say in effect, and I think I can quote almost literally the words of the Leader of the Opposition. They say in the first place: "When this bill was introduced we were against it; we believed in private ownership; we believed that someone else should build this pipe line except this particular group, and we will try to prove it before a committee of this house".

Mr. Drew: You are so far from the truth that there is no use in challenging you.

Mr. Harris: I am repeating almost literally what the Leader of the Opposition has said. But he left the door open for himself and that door was this. He said, "But if by any chance the government is able to bring this bill forward and put it through, then I am ready to jump over into another position on the last night but one before it happens". What is that position? The position is that

perhaps—and just perhaps—it will be public ownership. We have been through that in this house already. When this debate began we made it abundantly clear that we thought this was the only way of getting this pipe line started this year; and no one, not a single person, in the opposition in three weeks has been able to refute that statement in this parliament.

What then is the situation today? We are approaching a deadline. It is a deadline which means what? It means that if it is met, it is just possible that with the winter coming on my friend the hon. member for Winnipeg North Centre may have gas delivered in Winnipeg before then.

Mr. Drew: And your friends in the United States will be happy.

Mr. Harris: It may well be that if we had followed the course suggested by the leader of the Conservative party we would be sitting in the committee on railways, canals and telegraph lines or whatever committee it may be, consulting all kinds of people who have had no connection whatever with the province of Alberta with respect to natural gas, and we would have ended up at this time with a group of people who had yet to go to the province of Alberta and get from them an agreement to export gas out of that province. Those are the facts of life. I wonder why hon. members try to avoid them. As I said before, this government is not in a position to dictate to the province of Alberta anything whatever about the natural gas of that province.

Mr. Hees: Just to parliament.

Mr. Harris: The Leader of the Opposition has boasted a little bit about what he has done in northern Ontario with respect to the development of natural resources there; and when he was not doing it, the hon. member for Dufferin-Simcoe (Mr. Rowe) was doing it for him. What did the Leader of the Opposition do?

Mr. Hodgson: He gave you fellows an awful trimming.

Mr. Harris: What he did was to permit the exploitation of natural resources in northern Ontario under certain conditions which he no doubt laid down. Upon those conditions being met, certain royalties, stumpage dues and the like accrued to the benefit of the province of Ontario, and everyone was happy. But the Leader of the Opposition must understand that this is the precise position we are in with respect to the province of Alberta, with government control of natural gas that comes out of the ground. Every word he has used throughout this whole debate has been designed to confuse that issue in the minds of the Canadian people.

Mr. Drew: Nonsense.

Mr. Harris: The Leader of the Opposition says "nonsense". Mr. Speaker, I say again when we build a pipe line, have we any control over the natural gas that comes out of the ground of Alberta? We have no control whatever. The province of Alberta has complete control of it. Only in so far as they sell it to some agency for export do we come into the picture. When my hon. friend speaks as he does, and when the leader of the C.C.F. also speaks as he does, they seem to think that we have control over that natural gas and that we can dictate to the premier of the province of Alberta what he will do about it.

Mr. Coldwell: They want to sell the gas. We want to buy it. A crown company could do it just as well as a private company.

Mr. Harris: Oh, no.

Mr. Coldwell: Read the British North America Act.

Mr. Harris: The alliance will break up if you suggest that this government should buy natural gas which comes out of the ground of Alberta. Two weeks ago I pointed out that the premier of the province of Ontario said he did not want to distribute through the Ontario hydro the natural gas which came there.

Mr: Coldwell: He could set up a company of his own.

Mr. Harris: He does not want to do that. He wants it to be a private company and only to be public ownership by alternative.

The hon. member for Saint John-Albert, possibly the hon. member for Esquimalt-Saanich and possibly my friend the hon. member for Burnaby-Coquitlam are the only members in this house who have questioned the desirability of building this pipe line. All the other discussion has been because hon. members opposite seem to think they can do the thing better than we can. But, Mr. Speaker, so far they have not been able to demonstrate it to anybody in this country. It seems to me that if we could get back to a consideration of what we are trying to do, this parliament could settle down, as it should have settled down, and we should not have had the scenes which we have had recently.

I am going to say something that is rather difficult for me to say under the circumstances. Both the Leader of the Opposition and the leader of the C.C.F. this afternoon said that all of us ought to regret what has happened, particularly what happened on

Friday. I am going to agree with both of them. However, I hope that in expressing agreement in that sense I am not to be taken as having accepted any responsibility for it.

Some hon. Members: Oh, oh.

An hon. Member: Oh, you hypocrite.

Mr. Diefenbaker: Now we have sanctimoniousness.

Mr. Deputy Speaker: Order.

Mr. Fleming: What did you say about the word "sanctimonious"?

Mr. Harris: A week ago Thursday night I did what no other member who has spoken in this debate has done. I rose in my place and appealed to the followers on this side of the house to remain in a condition which would not excite any feelings in this house, and from that day to this they have done so.

An hon. Member: They did not pay any attention to you.

Mr. Harris: No other party has done so.

Some hon. Members: Oh, oh.

Mr. Fleming: That is a ghastly untruth.

Mr. Deputy Speaker: Order.

An hon. Member: How sanctimonious can you get?

Mr. Harris: I have read *Hansard* with great attention.

An hon. Member: Read the papers for a change.

Mr. Harris: I am prepared to accept responsibility for what I have said. I am going to say to my hon. friends opposite that except for the singing—and I say "except"—that went on here after the division bells began to ring on Friday, I want my hon. friends to try to show me wherein anyone on this side of the house has been the slightest bit disorderly.

Some hon. Members: Oh, oh.

Mr. Fleming: A travesty of the facts!

Mr. Deputy Speaker: Order. I think perhaps we might return to third reading of this Bill No. 298.

Mr. Knowles: Is the minister aware of the fact that this afternoon he and the Minister of Citizenship and Immigration both turned around and tried to shush their members in the display they were making at that time?

Mr. Harris: I am quite aware of that, but I want to point out that what we did this afternoon was merely to stop the continuation of the normal applause which goes on. We were trying to save time. On that point I am going to say to my hon. friend that throughout this debate there have been a good many people on this side who would like to have taken part. But let us be perfectly frank about it. When this government imposed closure we knew, as we had been warned by members of the Tory party and the C.C.F. party, that we would have every possible obstacle put in our way to prevent closure, and time was always running against us every day.

Mr. Rowe: After five months or five years.

Mr. Harris: It is for that reason speakers on this side have not taken nearly as much part in this debate as they might otherwise have done. If it is the contention of my hon. friend that we were doing the Christian act of turning the other cheek, I can assure him we were. We were making absolutely sure that closure was operative because we believed, and so far no one has been able to shake that confidence, it was in the interests of the Canadian people that this pipe line get started this summer. It does seem, as a matter of fact, to have been the deliberate attempt of the two parties opposite to prevent that very beneficent act.

Mr. Rowe: You read the Winnipeg *Free Press* and the Toronto *Star* and you are afraid to speak.

Mr. Harris: I am not afraid to speak on anything in this house. My hon. friend knows that, because one of these days we are going to have a little contest. During an election the hon. member always makes a point of coming over to my constituency. He comes to my riding and makes a speech, and it has always been a difficult one to make because everyone up in my part of the country—

Mr. Hees: Just loves Walter.

Mr. Harris: —remembers—

Mr. Hees: Everybody loves Little Lord Fauntleroy.

Mr. Harris: —and wants to know how the hon. member for Dufferin-Simcoe (Mr. Rowe), who is the only remaining member for the R. B. Bennett government, can ask for support for his party when the last time that party was in office the price of agricultural products in that part of the country was about three or four cents a pound and today it is over 20 cents.

Mr. Rowe: Tell us about the days when you would not give the Tories a five-cent piece.

Mr. Harris: In the course of the discussion the other night the hon. member spoke about

this terrible example of closure. He carefully avoided making one reference I thought he might make. I do not want to embarrass him but I am going to ask him now, did he vote in the division on that particular form of closure at that time?

Mr. Rowe: If you will sit down, I will explain it.

Mr. Harris: Yes or no?

Mr. Rowe: Yes; Mr. Speaker, the hon. member has asked me a question.

Mr. Harris: Did you vote?

Mr. Rowe: Yes, Mr. Speaker. The hon. member has asked me. The reason I voted for it was that for 21 days your party had refused to give a five-cent piece to a Tory province even if the people were starving, and we voted for closure. It was an entirely different situation.

Some hon. Members: Oh, oh.

Mr. Harris: Here is a man, Mr. Speaker, who as a private member in 1932 voted in a division to support closure which he now says is out of order, and although he was a member of that government at a later time, is now saying they did this wrong at that time.

Mr. Rowe: On a point of privilege, Mr. Speaker; I have never said closure was out of order in this house. Closure is in order, but it was placed out of order on this occasion.

Some hon. Members: Oh, oh.

Mr. Rowe: I have never at any time said that closure as such was out of order. It is something that could be resorted to, but the difference between the closure I voted for and the closure you and your sidekicks imposed was that we debated for 21 days on the first item and you did not take 21 seconds to put it in when you brought in the resolution.

Mr. Harris: I hope, Mr. Speaker, that it will be borne in mind that I only have about two minutes left at this moment, though I think I shall have a carryover until tomorrow. Let me point out to my hon. friend there is no particular difference between 21 days of debate which builds up to a filibuster, and responsible members of opposition parties saying even before a debate began, that they were going to filibuster this bill if they could.

The leader of the C.C.F. party is trying to suggest that they did not do that. Do you know, Mr. Speaker—

Mr. Coldwell: No, I did not say that. I said it showed how scared you were.

Mr. Harris: I thought he was going to deny it. In this whole debate as I recall it, and I may be wrong, the hon. member for Assiniboia (Mr. Argue) who made that threat, has never spoken and, he will excuse me if I say it now, he has been out of the house a lot of the time.

Mr. Coldwell: He is like the Minister of Agriculture; he is engaged elsewhere.

Mr. Harris: I do sincerely hope that what has been said by both hon. members who have spoken before me, and the recognition that it is likely this bill will receive third reading some time in the next few days, will remove a great many of the difficulties under which we have laboured.

Now, I heartily agree with all that has been said today. I sincerely hope we can get back to our old standard of conduct, and I will join with both members opposite in saying that I understand, under the circumstances, how strongly they may feel about the conditions attendant on this bill. But do not let them forget that we on this side have feelings in the same way. We feel that the bill is a good one. We do not feel that it is as bad as they make out. We feel strongly that it ought to go forward.

If I have any time tomorrow, Mr. Speaker, I shall explain my final reason.

On motion of Mr. Harris the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this debate tomorrow. May I just interrupt for one moment to remind hon. members of the pleasure that will be accorded us in receiving the President of the Republic of Indonesia tomorrow morning at 10.20. I am only saying this in order that hon. members, who may perhaps have forgotten it, will be reminded that if they wish to participate they should be here a little before 10.20.

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

Question

ANSWER TO QUESTION

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

MINE PRODUCTION, COUNTY OF HASTINGS

Question No. 516—**Mr. Follwell:**

1. How many mines are in production in the county of Hastings?
2. Where are they located, what are their names and what are they producing?

Answer by: **Hon. George Prudham (Minister of Mines and Technical Surveys):**

1. Five.
2. Near Marmora, Ontario—Marmoraton Mining Co. Ltd. Iron ore—operating open pit mine with beneficiation and pelletizing plant handling 4,250 tons ore per day.

Near Bancroft, Ontario—Faraday Uranium Mines Ltd. Uranium—underground operation, opening up uranium deposit and erecting 750 ton mill; expected to be in production in 1956.

Near Bancroft, Ontario—Greyhawk Uranium Mines Ltd. Uranium—the company is exploring property, and have outlined ore and have applied for a marketing contract to Eldorado Mining and Refining Ltd.

Near Madoc, Ontario—Canada Talc Industries Ltd. Talc—operating talc mine and 150 ton mill in which ore is crushed and sized for the trade.

Near Belleville, Ontario—Canada Cement Co. Ltd. Cement—quarry supplies limestone for their No. 5 plant which has a capacity of 16 million bags per year.

HOUSE OF COMMONS

Tuesday, June 5, 1956

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1956-57

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1957, was presented by Hon. W. E. Harris (Minister of Finance) and read by Mr. Speaker to the house.

HIS EXCELLENCY DR. SUKARNO

INCLUSION OF ADDRESS TO BOTH HOUSES OF PARLIAMENT IN PROCEEDINGS OF TODAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg to move, seconded by the Leader of the Opposition (Mr. Drew):

That the address of His Excellency Dr. Sukarno, President of the Republic of Indonesia, delivered before the members of the Senate and the House of Commons of Canada on June 5, 1956, together with introductory and related speeches, be included in the House of Commons *Debates* and form part of the permanent records of this parliament.

Motion agreed to.

(*For text of above see appendix, pages 4777-82.*)

STANDING ORDERS

MOTION FOR CONCURRENCE IN REPORT OF STANDING COMMITTEE

Mr. J. H. Harrison (Meadow Lake) moved:

That the second report of the standing committee on standing orders, presented to the house on May 28, be concurred in.

Mr. E. D. Fulton (Kamloops): I wonder whether the hon. member would explain to us the intent and purport of this report, concurrence in which he has just moved. If it relates to matters having to do with exemption from the standing orders of the house because of the late presentation of petitions and so on, I think we should know what it involves, what petitions have been presented and what bills are affected by the motion, and what would be the result to the bills if the motion is allowed to carry, and I think indeed that the hon. gentleman should explain his motion.

Hon. W. E. Harris (Minister of Finance): I move that we proceed to the orders of the day.

Mr. Fulton: I am still on my feet. I have not yet given up the floor.

Mr. Harris: I thought you had; I am sorry.

Mr. Fulton: I thought the hon. member for Meadow Lake was about to explain the meaning of his motion so the house might be properly seized of it. If the hon. gentleman does not intend to do that, I move the adjournment of the debate.

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

YEAS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—60.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Beaudry
Bennett
Blanchette
Boisvert
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Clark
Cloutier

Crestohl
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Nacnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Marler
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—151.

BUSINESS OF THE HOUSE

MOTION THAT ORDERS OF THE DAY BE NOW READ

Hon. W. E. Harris (Minister of Finance): I move, Mr. Speaker, that the orders of the day be now read.

Mr. Fulton: I thought you wanted to have a debate on this motion.

Mr. Knowles: The leap-frog trick.

[Mr. Fulton.]

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

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blanchette
Boisvert
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Clark
Cloutier
Crestohl
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Marler
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent

Weaver
Weir
Weselak
White (Waterloo South)
Winters—147.

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fulton
Gagnon
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Poulin
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—61.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

The house resumed, from Monday, June 4, consideration of the motion of Mr. Howe (Port Arthur) for the third reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, and on the amendment thereto of Mr. Drew.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, pursuant to notice given yesterday and in accordance with the provisions of standing order 33, I move, seconded by the Minister of Finance (Mr. Harris):

That the debate on the motion for the third reading of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, and on any amendments thereto, shall not be further adjourned.

The house divided on the motion (Mr. St. Laurent, Quebec East) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blanchette
Boisvert
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Clark
Cloutier
Crestohl
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Marler
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—150.

Northern Ontario Pipe Line Corporation

NAYS

Messrs:

Aitken, Miss	MacInnis
Balcer	MacLean
Barnett	McBain
Bell	McCullough (Moose Mountain)
Blair	McGregor
Bryce	Michener
Cardiff	Mitchell (London)
Casselman	Monteith
Castleden	Montgomery
Charlton	Nesbitt
Churchill	Nicholson
Coldwell	Nowlan
Diefenbaker	Pallett
Dinsdale	Pearkes
Drew	Perron
Ellis	Poulin
Fairclough, Mrs.	Rea
Fleming	Robinson (Bruce)
Fulton	Rowe
Gagnon	Small
Green	Stanton
Hamilton (Notre Dame de Grace)	Starr
Hamilton (York West)	Stewart (Winnipeg North)
Hees	Trainor
Herridge	Tustin
Hodgson	Van Horne
Howe (Wellington-Huron)	White (Hastings-Frontenac)
Jones	White (Middlesex East)
Knight	Winch
Knowles	Zaplitny—61.
Lennard	

Mr. Speaker: I declare the motion carried.

Mr. Dufresne: Mr. Speaker, I did not vote. My pair was absent from this house. I was paired with democracy.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am told that I have about six minutes left, and I do not suppose I shall take all of it because I intend to avoid the pleasantries in which we engaged last evening. At the conclusion of my remarks at that time I said there was one final reason I wanted to give why this bill ought to be passed. That reason is one which arose earlier in the debate and was referred to by the Leader of the Opposition the other evening.

In the course of arguing that it was possible that pipe could be obtained elsewhere than through the particular means we have in mind in this bill, the Leader of the Opposition said that the demand for steel—I think I am quoting him fairly accurately—had fallen off so noticeably in the United States in the past few months that there would be a supply of steel available for the production of pipe at this time. Without engaging in a dispute with respect to whether that conclusion is right, let me point out that there has been a marked decline, as he said, in the sale of motor cars in the United States, which is a quite considerable part of the steel market. Nevertheless, as my colleague the Minister of Trade and Commerce pointed out, it still is not possible to get steel, as he said, for these particular purposes.

[Mr. St. Laurent (Quebec East).]

But there is some consideration being given by thoughtful people, and I include everyone in that, as to whether or not it may be possible that the decline in the demand for motor cars in the United States may lead to a further decline in the demand for other goods, and that there is a possibility—I shall not say for a moment whether or not I share it—that this could lead to a decline in business activity such as we had in the late months of 1953 and early 1954. If that were true; if that should be the result, and bearing in mind that with one exception this country has for obvious reasons always followed some months after the swing in business activity in the United States, I suggest that it would be wholly desirable to get on with this job to make sure there is employment against the possibility that there might be a decline in other demands.

Some hon. Members: Hear, hear.

An hon. Member: How about buying Canadian pipe?

Mr. Harris: On the other hand, Mr. Speaker, should it be the case that we would not be facing difficulties of that kind, then I suggest that instead of a decline we would have an increasing demand for employment, we would have an increasing demand for fuel and energy, and for that reason the sooner we get natural gas to the industrial markets of the east the better in order to supply that demand.

Some hon. Members: Hear, hear.

Mr. Rowe: You could blow either hot or cold through that pipe line.

Mr. Harris: My concluding remark will be that in either event we feel that we are right in urging that the pipe line be begun this summer and not on another occasion.

Mr. Fleming: Mr. Speaker—

Mr. Speaker: May I point out to the hon. member for Eglinton that no one from the Social Credit party has had a single word to say yet.

Mr. Fleming: Last night, Mr. Speaker, you know they gave their place to the Minister of Finance so he would have 40 minutes, and that was done deliberately. The Social Credit group had their opportunity to take their place last night, and they gave up their turn to the Minister of Finance.

Mr. Speaker: Would the hon. member be good enough to resume his seat for one second, because if he will I am sure we can clear the air on this particular point. The hon. member for Eglinton rose and the hon. member for Peace River rose as well. Two

members cannot be on their feet while a debate goes on; that is certain. I have pointed out that according to the book here no member of the Social Credit party has spoken yet. However, it strikes me that if I weigh the pros and cons it would seem that at this moment the hon. member for Eglinton should have the floor, following which I will see the hon. member for Peace River.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, we are approaching the final stage in a momentous but sad debate. We in the opposition, make no mistake about it, will fight to the end, to the last minute of debate. As long as we are permitted to raise our voices in this house they will be raised in denunciation of this measure and of the tactics the government have employed in pursuing their success. We arrive at this point thanks to a succession of eight closure motions on the part of the government—eight of them! Altogether in Canada's history before this time there have been but six. We have now witnessed eight closure motions in the last 16 days, and last week we saw a point reached where the government did something that Right Hon. Arthur Meighen years ago said would be done only by an "insane and vicious" government. This government has abundantly deserved that prophetic description.

We have seen the government resort to measures that were denounced by Laurier and King as torpedoing parliament, reducing parliament to a travesty; and yet the decadent successors of Laurier and King have imposed this measure eight times in 16 days. Yes, and yesterday the Prime Minister, in moving third reading of the measure, reached surely the high point in arrogance when he said in effect, and indeed in words, that in his opinion no debate was required at this stage, and said also yesterday that there is in effect no right on the part of members to speak in this house on points of order or questions of privilege.

Well, sir, debate is required on this measure, a great deal of debate that has been denied by the arbitrary decision of the majority led by the government. But while debate may be stifled here in this chamber, believe me, sir, the debate before the people of Canada will not end tonight. I would, sir, that I had as much time as the Minister of Finance had last night and today to talk about the points he sought to make in his speech. He has resorted to the most fantastic aggregation of points that have no bearing, no validity, no weight that I am sure any member of this house in all his ingenuity could devise.

We have seen here an astronomical perversion of the truth. Sir, by the time this debate is over and the government members have spoken there will not be even breath left in the bleeding and mangled body of truth. However, I do appreciate one thing the Minister of Finance said last night when, in deriding the allegations that there had been a gag, he said that I had spoken more than 20 times in total in the various stages of debate. At least I thank him for making that kind of correction of the astronomical perversion of the facts in which the hon. member for Charlotte (Mr. Stuart) engaged, as found at page 4603 of *Hansard*.

The fact is that some of us have been expected to take part in the discussion on numerous points of order that have been raised from time to time in this debate. Rather than speaking 20 times, I have spoken about five times. Thanks to the government's closure I had only 20 minutes on the resolution stage. Thanks to their closure I had no opportunity to speak on second reading. On clause 1 in committee I raised one question of order and supported another. On clause 3 I spoke to a point of order. On June 1 I spoke to a point of order. That is all. That is the sort of thing the Minister of Finance (Mr. Harris) seizes upon and tries to make the people of Canada believe, but no one in this house is going to be misled by talk of that kind. He puts it on the record and hopes the people of Canada are going to be misled by that kind of nonsense.

The Prime Minister said yesterday that there was no cause for debate, that the bill came out of committee in the same form in which it went in. Yes; but why? Because the right to discuss, the right to introduce amendments was denied by the arbitrary course of action taken by the government. That is the only reason, Mr. Speaker. I had an envelope full of amendments to introduce on practically every section of the bill, but there was no permission given by this arbitrary majority, who care nothing for the rights of parliament or the rights of members of parliament.

But, Mr. Speaker, one thing is abundantly clear to the people of Canada as a result of this debate, and that is that the country has a one-man rule. It is not the Prime Minister. Everybody knows that. It is the Minister of Trade and Commerce. He is the one-man ruler of Canada.

Mr. Fulton: See him smiling.

Mr. Fleming: Yes, Mr. Speaker; that is the situation. The Prime Minister is not the ruler of Canada. He is just a weak man who has proven himself, in this debate as on other occasions, to be just putty in the

hands of the strong man, the one-man ruler of Canada. Where are all these other members of the government? Not one of them has stood up here. Every one of them has bowed the knee to Baal.

Mr. Harris: Nonsense.

Mr. Fleming: Even the Minister of Finance (Mr. Harris) has bowed. There is not one who has stood up to the strong man, the one-man ruler of this country.

Mr. Harris: Nonsense.

Mr. Fleming: Well and truly did Queen Eleanor, widow of Henry II of England, say, "Of all the passions, lust for power is the most enduring". We have seen abundant evidence of that fact here, Mr. Speaker.

Some day there may be an opportunity—and for the sake of democracy let us hope that it will come very soon—to lay before the people of Canada the information that has been withheld from them, to expose what has been going on behind the scenes in recent months, to give to the people that information which has not only been denied by the government to the House of Commons but has been denied by the ministers to one another. We have seen the Minister of Trade and Commerce denying even to the Prime Minister information that any responsible minister would have felt it necessary to share with the Prime Minister. Mr. Speaker, it may be simply the old Boston influence. You see, apparently only some cabinet ministers are entitled to information.

Mr. Howe (Port Arthur): Oh, quote the facts.

Mr. Fleming: It is an example of the old verse written by John Collins Bossidy:

> And this is good old Boston,
> The home of the bean and the cod,
> Where the Lowells talk to Cabots
> And the Cabots talk only to God.

Mr. Howe (Port Arthur): If my hon. friend wants to go back 48 years in order to declare me to be a second-class citizen—

Mr. Fleming: Nonsense.

Mr. Speaker: Order.

Mr. Rowe: Nobody ever called you a second-class citizen.

Mr. Knowles: There is nothing wrong with the people of Boston.

Mr. Fleming: Not a word was said about second-class citizens.

Mr. Speaker: Order. Would the hon. member be good enough to address the Chair? Would other hon. members be kind enough to listen to the member who has the floor and not interrupt him without his consent?

Mr. Fleming: This is the second time the Minister of Trade and Commerce has repeated that false accusation in the course of this debate. I did not say that he or any other person born outside of Canada was a second-class citizen.

Mr. Howe (Port Arthur): Why keep referring to it, then?

Mr. Fleming: Because I think there is something in the minister's mentality that is not to be harmonized with any sense of responsibility to Canada. It was not the minister's birth, but it is something in his upbringing and his mentality.

Mr. Winters: You are alone in thinking that.

Mr. Howe (Port Arthur): I shall remember that remark.

Mr. Fleming: You will remember what?

Mr. Howe (Port Arthur): I shall remember your remark.

Mr. Fleming: I hope you will. I shall make a few more remarks this afternoon that I hope you will remember, even if you are a one-man ruler.

Mr. Knowles: Address the Chair.

Mr. Fleming: On this matter of pipe lines, Mr. Speaker, let me make the position abundantly clear again. We have done so before, but for the record I repeat that we in this party have supported the construction of the pipe line from Alberta to eastern Canada. We were the first party to support the construction of that line by an all-Canadian route. Indeed it took us two years to convert the Minister of Trade and Commerce and persuade him to accept the idea of an all-Canadian route.

The franchise was given to Trans-Canada Pipe Lines on two promises, first, that they could finance the construction without government aid, and, second, that they would build into eastern Canada and deliver gas there before delivering it into the United States. That later was modified to make it simultaneous. However, the basis was that they were not to put gas into the United States before they put it into eastern Canada.

Here we are in 1956. What of their performance? Not one inch of pipe has been laid. The company says it has no finances with which to construct the line. Yes, these companies backing this Trans-Canada Pipe Lines company, which have billions of dollars of assets, say they cannot finance this construction. These people cannot or will not build the easiest portion of the line across

the prairies. Theirs is a record of default. That default has been overlooked and forgiven by the government. How forgiving they have been! When I asked the Prime Minister last week what would happen if and when default occurs next April, he could not tell me what the government would do. In the light of their record I think they can be expected to overlook that default also.

Mr. Speaker, here is a government which, in the face of default, has taken no action. Has it thrown open to others the opportunity to come in and bid on a project of this kind, and show what they were prepared to do? No; the Minister of Trade and Commerce, with his big stick, has frightened off all others. The government three months ago decided to relieve this company of the burden of constructing the 675-mile line across northern Ontario from the Manitoba boundary to Kapuskasing. As if that were not enough, they are now going to finance the construction of the easiest leg of the line.

There we have this hybrid scheme, part public ownership. In fact all that is to be done is to be done by public assistance. We will have two portions which will not be connected, and we have no assurance that they will be connected or that a line will be constructed from Kapuskasing to the market in eastern Canada. Now the money to build that line in western Canada is to be taken from the crown corporation that was to build the line in northern Ontario, thereby depriving that corporation, to the extent of $80 million, of the capital needed for construction in northern Ontario, and thus delaying it. Let some of the hon. members from northern Ontario stand up and acknowledge that fact before their constituents. Yes; that is true.

For whom does the government of Canada turn somersaults and produce these favors? A company that is owned and controlled 83 per cent by United States capital, not by small United States investors, but by big interests quite capable of looking after themselves; and all through the piece Canadians have been driven off. We do not know how many others would have come forward if they had not been afraid of the big stick of the Minister of Trade and Commerce.

Mr. Speaker, the government tries to defend this as an example of free enterprise. What free enterprise is left in this Trans-Canada Pipe Line? This rugged mileage in northern Ontario is to be built by a crown corporation at the expense of all the taxpayers of Canada. The easiest part of the line, in western Canada, is to be built to the extent of $80 million, at the expense of the people of Canada. That is not my idea of free enterprise at all. It is public aid; and they are going to scoop the treasury. Now we have it made perfectly plain that the Minister of Finance is going to be there to help them do the scooping.

This has been put forward also as an example of United States investment. We heard that shockingly misleading speech by the hon. member for Provencher (Mr. Jutras) about 10 days ago when he said, without any facts to justify the statement, that the Conservatives were against United States investment in Canada. There was no greater distortion of the truth in this debate than that statement. What is a distortion is to picture this as an example of United States investment. It is not United States investment in this corporation. It is an example of United States control without United States investment. It is an example of United States profit without United States investment.

How did this come to be recommended to the house? This government have so little confidence in the merits of this measure they did not leave it to free debate. They stuff this measure down the throat of this parliament. Merit, yes; what a mongrel scheme! It is neither flesh nor fowl nor good red herring. Where is the urgency after five years of delay, for which this government shares responsibility with the Texas promoters of Trans-Canada Pipe Lines? There was an attempt by my leader on January 12 to send this to a committee. It was ignored by the Prime Minister then, and on later occasions when the proposal was made. On March 15 there was a proposal made by the Leader of the Opposition but it was ignored by the government. Now, because a deadline has been imposed by the Texas promoters, not only does the government knuckle down to them on the demand of the one-man ruler of Canada, but they expect this sovereign parliament of Canada to throw its responsibilities to the winds and knuckle down to these United States promoters.

Well sir, something prophetic happened in this house a few evenings ago during a vote on a closure motion, which may have escaped the notice of hon. members because they could not see. When the vote was being taken on one of these closure motions the Minister of Agriculture (Mr. Gardiner), who sits directly across from me, was reading one of these paper-backed novels, and its title was "Texas Spurs". Believe me, Texas spurs have been driven into Canada to satisfy the ambition of the Minister of Trade and Commerce.

Where is the rule of law? The rule of law in this house has been destroyed. What is the sense of talking about the rights of minorities in Canada if the rights of the minority of this

House of Commons are to be torn to shreds and destroyed by that oligarchy opposite.

Mr. Pickersgill: Will the hon. member for Eglinton—

Mr. Fleming: I will tell you what explains this phenomenon. It could not be explained otherwise in a country that cherishes democracy even when this government has betrayed it. There are three instances that will explain what has happened. The first occurred in 1911, a great year in Canadian history. The Conservatives in that year in this House of Commons blocked the reciprocity bill by a prolonged discussion. This government did not want a repetition of 1911. They did not want prolonged discussion even on a measure as important as anything that has come before this House of Commons since 1911.

Then in 1955 there was the debate on the iniquitous demand of the government for a continuance of the absolute powers contained in the Defence Production Act. We defeated that iniquitous demand for absolute powers because we were able to keep this debate going long enough to arouse the country. When the country saw the issue at stake, its response was clear and definite and the Prime Minister had to capitulate. It is a repetition of that which this government is seeking to avoid now by the application of this iniquitous closure.

From that time to this, the defeat inflicted by democracy and the working of parliamentary methods upon the Minister of Trade and Commerce has rankled with him, and he has been looking for the first opportunity to settle accounts with the Canadian House of Commons. He is doing it now because the government has kowtowed to him, as have all hon. members opposite.

Finally there is a third explanation. You can find it associated with the one-man ruler in that speech he made at the opening of this session, when he called upon Liberal members in this house and the other place to toe the party line. This is the man who said, "If we wanted to get away with it, who would stop us?" Well, the majority could have, but they submitted weakly. I apply those words of Shakespeare, "O calm, dishonourable, vile submission!"

There is nothing more favourable to be said for the Social Credit group in this house. They have been the willing accomplices of the government all the way through. There have been to date in this debate 60 divisions, and the Social Credit group has been with the government on 59 of those. Of the eight closure motions to stifle debate and deprive members of this house of their democratic rights, to prevent them from discharging their responsibilities, the Social Credit group has voted with the government on all but the very first. Their batting average is something over 98 per cent with the government on this issue. I say they have forfeited all claim to understand and defend the freedom of parliament.

I have said before that this government has no mandate to do what it is doing. In the face of the pretext the Prime Minister has given the house for not taking this issue to the sovereign electorate of Canada, I say that the real reason and the only reason that prevents the people of Canada today from having the opportunity of passing on this issue that is their right is cowardice on the part of the government, moral cowardice. This parliament has been discredited by all that has happened. All sense of respect on the part of the people of Canada has gone. It has been destroyed by the actions of this government.

Sir, our policy was explained in full detail last night by my leader. In the amendment he has put before the house, we asked for consideration of this matter at various stages. I understand that I have just two minutes left. We are now in the very final stage of the situation in which the government has put us, the third reading. Only a few hours of debate remain. We have been deprived of the opportunity we should have had in the interests of all the people of Canada to put this issue before the searching inquiry of a committee of the house, and to give others an opportunity to put forward their proposals. Well, sir, it seems now we are narrowed down to a choice between two courses, the government's iniquitous proposal to hand over to Trans-Canada Pipe Lines Limited great sums of public money to help them out and public construction of the entire line. We choose the latter.

Mr. Deputy Speaker: Order. I am extremely sorry to interrupt the hon. member, but I am obliged to advise him his time is up.

Mr. Fleming: May I just say this?

Some hon. Members: No.

Mr. Fleming: There is this quotation:

> None have gone about to break parliaments but in the end parliaments have broken them.

Those are the words of Sir John Elliott in 1628, during the impeachment of the Duke of Buckingham. Let the government take due warning.

Mr. Solon E. Low (Peace River): Mr. Speaker, my hon. friend who just finished speaking, and who hung on like a puppy to a root to the last word, reminded me very much of the minister's sermon. The caretaker found the notes on the pulpit after

the minister had left. He discovered, as he went down the side of the pages, little notes saying, "Gesture here", "Pause here", "Wink here", and then at a certain point he read, "Case weak, yell like hell".

My hon. friend's speech this afternoon, Mr. Speaker, was just as phony as any speech he has made and every speech he has made in the course of this debate. There is a certain ring of truth when a person is presenting the truth. One does not have to raise the roof to get over that sense of truth. My hon. friend tries to wrap himself in an aura of righteousness. Everybody is wrong but him. Everybody has been presenting untruths but him. My hon. friend has been presenting untruths for so long he does not recognize one when he hears it, and he does not recognize the truth when he hears it. Like his leader he keeps repeating certain untruths until by repetition they become truths.

I want to say a word now about the amendment moved by the official opposition. I could best sum it up by reading into the record a very short poem by the poet laureate of one of the opposition parties in this house. It is entitled, "How do you Drew?" It reads:

He wobbled right
He wobbled left
He wobbled in the middle
And in between he huffed and puffed
With lots of wind and piddle
But in the end he made the bend
Without a serious schism
And ended up (who would have thought?)
With Tory socialism!

Now, Mr. Speaker, it is because the amendment is nothing but Tory socialism that we will not vote for it. We shall vote against it.

I would like to take just a minute to say something about the character of the speech of the hon. member for Eglinton. Just one more thing; I do not intend to read a long editorial into the record, Mr. Speaker. I think that is wrong.

Mr. Ellis: You could not find one.

Mr. Low: I could find one; I have one in my hand right now, a good one, one that it would do my hon. friend a good deal of good to read. This is from the Regina *Post*, and is headed:

A Sad Show for a Once Great Party

I want to quote only one point because it is so typical of the kind of debate to which we have listened here in the last three weeks:

The violence of personal attacks; the run of nasty, snide remarks as to other people's integrity; the spleen of frustration that is father to the theatrical attempts at martyrdom; all those are things designed to nauseate the Canadian, to make him thoroughly ashamed.

That has been typical of the debate, unfortunately, Mr. Speaker, and we ought to be ashamed of it. I am satisfied that as the days go by and those who have carried on the debate in that fashion think about it, they will be ashamed of it.

I would like to say something at this time to indicate why we support third reading of the pipe-line bill. At the same time I would like to reply to a few statements that have been made in the course of the debate that are entirely untrue. May I begin by saying that we have not looked upon this bill as a perfect one by any means. We realize that it has its imperfections. Nor have we felt at any time that the way the government has handled the whole matter has been without error. We have criticized the government for the long time it has taken to come to grips with the urgent need for providing a market for surplus natural gas from our province, the province of Alberta. Only the federal government can do it because a market has to be sought outside of our own boundaries, and the federal government is the only body that can deal with this important source of energy. But when the government finally came to grips with the matter and took action to provide a market for our gas, we welcomed that action and supported it consistently right from the beginning.

My hon. friend says that we voted for the government 59 times out of 60. I have not counted them—perhaps he is right—but I am not ashamed of that for one moment, Mr. Speaker. We supported the government those 59 times because we thought they were doing something in the interests of this whole country. Not only that, Mr. Speaker; we did so because we are fully aware of what happened in some other countries when the minorities, through blocking tactics and other means, destroyed democracy, and we are attempting in our way to be consistent in our support of true democratic government.

Mr. Fleming: You did not think so last year.

Mr. Low: We say that the bill before the house for third reading may not be perfect; it may not represent the best plan for providing a satisfactory market, but it is a good bill and it does provide a pipe line into which we can turn the gas that is now going to waste, and we shall vote for third reading of the bill for these reasons.

In the first place, Mr. Speaker, we decry waste of any kind, and especially waste of a valuable product of our resources. At the present time, and for a long time, there has been great waste of this valuable fuel in Alberta owing to the fact that it is the lifting power for oil. In our efforts to produce

oil to try to make Canada as self-sufficient as we can we have had to bring gas to the surface for which we can find no use, at least for some of it. There is, and will be, a greater waste as the days go by if we attempt to increase the production of oil, try to step it up. We do not want to see that. When a pipe line is built the waste can very largely be stopped and oil production can be stepped up without wasting the gas. That is one of the great reasons why there is urgency for the provision of a pipe line.

The second important reason why we support the pipe-line bill is that we are anxious to see our country's economy strengthened by the widest possible development of our resources. We have in Alberta huge gas reserves. Indeed, we are on the verge of very large further exploration programs that will undoubtedly result in the discovery of more reserves, and if we can find a market for the gas soon there is no doubt in my mind that we shall be able to increase the visible reserves by not less than a trillion feet a year for the next 10 or 15 years, and that means money in circulation; it means a stabilizing influence on our economy; it means more employment, and it will strengthen the economy of the whole of Canada.

It also means, Mr. Speaker, the development of a petrochemical industry in our province. It is not generally recognized that we do not just take the natural gas out of the ground, turn it into a pipe line and send it to a market in the east or in the United States. What is done is to put it through a separation plant and take out of it everything but the methane. It is only methane that goes into the pipe line. Butane, propane, sulphur and all these other things are taken out of it. They are left in the province and there they contribute to the development of a petrochemical industry. There is a $100 million industry waiting to get under way that cannot get under way until we find sufficient markets for the methane to make it possible for us to produce the by-products, to separate them from the gas and use them in a petrochemical industry in the province.

Is it not conceivable, therefore, and is it not a point of logic, to say that with a pipe line supplying the gas to a satisfactory market in eastern Canada and in the United States we would be able to strengthen the economy of Canada greatly through the development of a petrochemical industry in the province of Alberta? For years we have been short of sulphur; for years we have been on the verge of having to shut down a good many of our paper plants because of the fact that we did not have enough sulphur. It looks to me as though we ought to be doing everything we possibly can to increase the production of that very valuable chemical and see that it is made available to our Canadian industry. Therefore, Mr. Speaker, those are important things to keep in mind.

Not only that, but the minister and others have already pointed out that there are serious fuel shortages expected in certain provinces of Canada. Manitoba is one of them. They experienced a serious shortage last year, and they expect one this year unless something is done to provide them with a supply of gas. There is a shortage in Ontario. Something has to be done here. If we can get the pipe line built and gas coming into northern Ontario it will give a tremendous impetus to resources development in the northern part of this province, that simply cannot go on unless they get this source of fuel.

Another important point that ought to be kept in mind, Mr. Speaker, is that the sooner we can get the gas through the pipe line and into the markets of eastern Canada and the United States the sooner will it be possible for us to begin a substantial saving of United States dollars that now go to buy United States fuel to be brought in to this country. That in itself is of tremendous value to us, and helps every part of our economy. That argument should appeal especially to the logical mind because of the very serious imbalance of trade we have with the United States today. Every single dollar we can save helps us that much. Every dollar's worth of gas we can export into that country will help to close the imbalance by that much.

We are not afraid, Mr. Speaker, that our natural gas resources will fall under the control of United States buccaneers, as they have so often been called. Let me point out once again what both the Minister of Trade and Commerce and the Minister of Finance have so well said before. I should not have to say it at all, but it appears we have just to keep repeating these things to drive them home to some people who do not want to see the truth.

The fact is that this gas does not belong to the federal government at all. That gas belongs to the people of the province of Alberta. That gas could be brought out of the ground and used internally in Alberta without the consent of this government and without asking for any help at all.

The people of the province of Alberta have set up a natural gas conservation board which has complete control of the supply of gas and the allocation of that gas anywhere within or without the province. When I say "without the province" I refer to export.

That board can close off the supply of gas it they feel that control is being taken away from us by some other country. I have had sufficient experience with the natural gas conservation board to be able to stand here and on my responsibility assert that they will never allow that important resource to come under the control of any United States buccaneers or anybody else outside Canada. My hon. friends ought to know that.

The Leader of the Opposition, for whom I have high regard, has repeated time and again during this debate—I should not dignify it by calling it a debate; during the discussion of this bill and the agreement with Trans-Canada Pipe Lines—the statement that we are wantonly transferring control of valued resources to a company 83 per cent of which is owned in the United States. That is not so, and no one can bring detailed evidence to prove that it is so.

Let me quickly assert the facts connected with it, and I am sure my hon. friend will recognize the truth of what I say. The partners in this venture, that is the partners in its beginning, in its organization, are Canadian Gulf, which owns vast resources of gas in the province of Alberta and which is owned by British American, a fairly large portion of which is held by Canadian shareholders. Then there is Canadian Delhi, and there are a large group of Canadian shareholders in that company. There is Tennessee Gas and Canadian Hudson Bay, a large portion of which is held in Canada.

Those who have fully investigated this matter assert that not less than 25 per cent of the equity capital already provided is owned by Canadians. I am talking about the equity capital which is the capital put up by the partners for the purpose of getting the company organized and under way and upon which the financing of the future is based. That is the only part of it about which it can truthfully be said the majority is held in the United States.

When financing is completed we hope that fully 60 per cent or more of the company will be Canadian-owned. Let me tell you that the Canadian people will have that opportunity; if they have venture in their souls, if they want to risk some capital they will have a chance to own and control 60 per cent or more of this company. If they do not take advantage of it that will be the fault of the Canadian people themselves. Notwithstanding anything the opposition has said, it is not true to say that the company is owned 83 per cent by Americans.

I see my time is about up, and in closing I want to say just one word about something which has been bandied about, especially by the hon. member for Winnipeg North (Mr. Stewart). The hon. member spoke at a rally in Toronto on Saturday which was referred to by the *Gazette* of Monday, June 4 as follows:

> Mr. Stewart said Friday's chaos in the House of Commons was "nothing" to what will happen there tomorrow.

My hon. friend has never been known for the temperate way in which he expresses himself. My hon. friend is very likely to incite to violent debate or violent anything. I submit that his remarks sometimes could well be set down as inciting to violence. According to this report the hon. member went on to say:

> Premier Manning, of Alberta, who refused to sell gas to a government-owned pipe line "is soaked in infamy".

I defy the hon. member for Winnipeg North to bring one shred of evidence to show that Mr. Manning ever said at any time or indicated that he or his government would not sell gas to a government-owned pipe line. Let him bring on his evidence, and if he does not the people of this country are going to brand him for what he is. It is unfortunate that such things as that are bandied about, especially on a public platform where there is no representative from Alberta to deny it or to set the thing right. He will not make that statement in this house.

This is the same man who says we are giving away a very important resource to United States buccaneers. This is the same man who has been the chief proponent in this assembly of a world government. This is the man who has advocated that Canada should part with her sovereignty and give over control of everything to a supranational government. I say to you that it is about time that he tried to be just a little consistent. I do not mind him standing up in Windsor, Ontario, and saying that Social Crediters have yellow streaks down their backs a mile wide. If the hon. gentleman, big as he is, wants to find out whether we have he will have a good chance any time he wants it.

Let me say just one word further. I listened to the leader of the C.C.F. speak last night. He played to the galleries. That has been the policy of the C.C.F. from the beginning. They have displayed histrionics all through this debate. He said that members of the Social Credit party have been speechless. Let me ask him what he means by speechless.

Mr. Deputy Speaker: Order. I am obliged to inform the hon. member that his time has expired.

Northern Ontario Pipe Line Corporation

Mr. Claude Ellis (Regina City): Mr. Speaker, from the very outset of this debate considerable attention has been paid to one issue, perhaps more than to the pipe line itself; I refer to the question of parliamentary rights. I feel that sufficient has been said by hon. members on this side of the house with respect to the government's conduct during this debate, but I should like to make brief reference to the role of the government supporter or backbencher during the course of the pipe-line debate in parliament. I noted an article in the Toronto *Telegram* of Monday, June 4, entitled "They Let the Boom Down" by Judith Robinson. The first paragraph of this reads:

> Epitaph on a free parliament. The Liberal member for Qu'Appelle, Saskatchewan, was on the first plane out of Ottawa, Saturday morning. Going home for the week end, he said. Back on Monday to vote the pipe line through. He laughed. "No more horsin' around with rules," he said. "We fixed that. Kickin' us around. That's what they were doin' and we'd had enough of it."
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> "We don't hafta take it, see?" the Liberal member for Qu'Appelle, Mr. Mang, M.P., said, "and we aren't gonta."
>
> "So we decided we'd let the boom down on them yesterday and that's what we did."
>
> "We let the boom down and we let it down in a big way. See?"

I think that pretty well typifies the attitude of government supporters, including the "socred" supporters of the government, throughout the course of this debate. They have applauded every motion of closure and have tried to howl down every speaker of the opposition who said anything uncomplimentary about this bill or the way the government was railroading it through parliament.

This particular private member is quite proud of himself because the boom was lowered. I suggest that the hon. member had nothing to do with lowering any boom. The government decided when the boom was going to be lowered. I think the average government backbencher is as ill-informed about what the government proposes to do as any member in the opposition.

It is not only the member for Qu'Appelle who has made certain statements in this house which do not bear very close examination. The hon. member for Charlotte (Mr. Stuart), speaking the other day, as recorded on page 4604 of *Hansard*, had this to say. I draw to your attention that he was referring to a debate on agricultural problems in Canada. He said:

> That is why I am suggesting tonight I only wish that we had used closure before, and I hope we use it more often in the future.

I think that statement offers a warning to the farmers of this country that they may

expect any time agriculture is going to be discussed—and I feel certain that the hon. member for Charlotte was typical of the Liberals of this house—he is going to demand and expect that closure be used to choke off any discussion on agriculture. During the course of this session we have had several important debates. I think the great wheat debate earlier in the session was of extreme importance to the welfare of this country, as is, of course, the question of the pipe line. Yet when the government is so unsure of itself and so anxious to hide the details of legislation that it will use closure at every step in order to choke off discussion, then I submit that what the hon. member for Charlotte has said may well be taken as warning. That is why I feel that the battle being put up by the opposition in this house against the government procedure is extremely important for the future of parliament.

There have been other comments, but I do not want to take up the time of the house in referring to them. One of the Toronto members, as recorded on page 4597, used smear tactics. We are more or less accustomed to hearing these from the "socreds", but it is a little distasteful to hear smear tactics coming from the mouths of the so-called Liberals, although this debate has indicated quite clearly that there is not a shred of Liberalism on the other side of the house or they would rebel against the authoritarian measures used by this government to ram the bill through the house.

There has been talk about haste. I have had occasion to look through *Hansard* for the past few years, looking through the debates on the address and the budget debates and various other debates in parliament. I do not recall any member of the "socred" group demanding that the government get on with the pipe line. I do not recall any Liberal shedding crocodile tears about the wastage of gas in Alberta. I challenge any member of the "socred" group to state when he at any time in the past two years has insisted on the building of this pipe line. They sat by and did nothing until the chosen instrument of both the Manning government and this government had received from the government all they had asked for.

Last summer the Minister of Trade and Commerce went out to Calgary. He and his officials met the representatives of Trans-Canada Pipe Lines Limited. At that time he agreed on behalf of the taxpayers of Canada to build the northern Ontario section of the pipe line. One might have thought then that Trans-Canada Pipe Lines would have been prepared to go ahead with the project. No;

they wanted a still bigger hand-out from the taxpayers, and so they stalled around.

We know full well what happened. It was only when the government had not only promised to build a pipe line across northern Ontario but in addition had offered to provide $80 million of the taxpayers' money for their purposes that they suddenly decided they were going to go ahead and start this year on the pipe line. We have been waiting for Trans-Canada Pipe Lines to go ahead for over five years. The "socreds" have been sitting by and doing nothing about it. The government supporters have been sitting by and have not criticized Trans-Canada Pipe Lines. However, as soon as Trans-Canada Pipe Lines feels it has got enough out of the taxpayers of this country so it will go ahead, the Minister of Trade and Commerce says, "This is going to go through by June 7 or else". That is the background behind the distasteful scenes we have witnessed in this house in the past few weeks, and all of it can be laid squarely on the doorstep of this government.

In the course of the debate we have offered alternative proposals. I think the hon. member for New Westminster (Mr. Hahn), stated about a week ago that the premier of Saskatchewan had been silent. I wish to refer him and hon. members who support the government on that side of the house to a copy of the sessional paper brought down on February 21, which contains correspondence between this government and various provincial premiers. At that time the premier of Saskatchewan, in writing to the Prime Minister, pointed out this. I am not going to take the time to read the entire letter. Closure is in effect, and I must move along very quickly:

> Like many other Canadians I am profoundly disturbed at the turn of events in connection with the construction of the trans-Canada gas pipe line. It is becoming increasingly apparent that the control of a vital natural resource is destined to fall into the hands of financial interests outside of Canada. I do not think that the people of Canada will view with equanimity the fact that a function so important to our economic development as the transmission of natural gas will to a considerable extent have been alienated from their control. I am concerned lest posterity charge us with having failed for the want of a bold and imaginative program on natural gas transmission.

He goes on further:

> In repeated public statements I have made it clear that the Saskatchewan government is of the opinion that the trans-Canada pipe line should be a public utility with the government of Canada building the main transmission line and the province involved building the lateral transmission lines. From press statements I gather that your government is opposed to such a policy. I would like to suggest that as an alternative you might sound out the provinces involved to see if they would be prepared to enter into an arrangement with your government for the joint construction and operation of the trans-Canada pipe line.
>
> Your government has already expressed its willingness to enter into an arrangement with the province of Ontario for the construction of the unprofitable portion of the line which runs through northern Ontario. It would seem to me that having accepted this much responsibility there are sound reasons for proceeding one step further and constructing the entire line as a publicly-owned utility. By doing this the people of Canada would retain control of a vital natural resource and would have power to direct its usage in such a manner as to best advance the interests of the Canadian economy.

That was the letter sent by the premier of Saskatchewan to the Prime Minister of Canada, dated November 29, 1955. The Prime Minister made a reply to that letter, in which he said:

> I wish to acknowledge your letter of November 29, expressing your fears about the private ownership of the trans-Canada gas pipe line and suggesting a conference of representatives of this government and yours and the governments of Ontario, Quebec and Manitoba to create instead some sort of agency owned, financed and controlled by these five governments to establish and operate a gas pipe line from Alberta to Quebec.
>
> As no doubt you are aware, my colleagues and I have no preference in principle for public ownership rather than private ownership in business and we are prepared to consider in any particular case whether, and to what degree, governmental participation in an enterprise is in the public interest. In this particular case we came to the conclusion that some temporary governmental participation was necessary in the national interest in order to get the project started.

I would draw to your attention that the Prime Minister's concluding paragraph reads as follows:

> This matter will undoubtedly be the subject of discussion early in the next session of our parliament. In these circumstances, I feel it would be improper of me to attempt in correspondence with you to anticipate the substance of that discussion. I have no doubt that the points you raise will come up in the debates in the House of Commons and those speaking for this government will be quite prepared to explain the reasons why a course of action of the type you suggest was not followed.

We have waited for that explanation. I have not heard the Prime Minister or the Minister of Finance or any cabinet minister or any private member on the government side or any of the spokesmen of the "Socred" party give any reasons why the Prime Minister refused to entertain this reasonable proposal put forth by the premier of Saskatchewan. The Prime Minister never had the decency to write a letter to the premier of Ontario and the premier of Manitoba. He ignored the proposition completely.

Then the government come before parliament and say that the only way this can be done is through this enormous give-away program to Trans-Canada Pipe Lines. If the Prime Minister had the decency to send a letter to Mr. Frost and to Mr. Campbell, he

could find out what they thought about this proposal. of course the government has been trying to suggest that the Ontario government is solidly behind them, and of course we know that is not true. The Minister of National Health and Welfare made a 100 per cent political speech the other night in which he said that Mr. Frost had made the statement and Mr. Porter had made the statement that the Ontario government was 100 per cent behind the federal government's proposal, but I note that a statement by Premier Frost to the conference held in the King Edward hotel last Saturday, as reported in the Toronto *Telegram* of June 2, was as follows:

> Premier Frost says his own feeling today is still what he has previously stated it to be, that the pipe line is the sort of public utility undertaking that lends itself to public enterprise construction, either by the dominion government alone or by the government together with the provincial governments involved. But for reasons of its own the dominion government doesn't feel it wants to build the line itself either to operate forever or to lease or sell later to private interests. We must leave it to the dominion government and parliament to decide which way they'll get it here. We've agreed to make our contribution towards making sure that it comes through Canada all the way.

But at no time did the premier of Ontario ever reject public ownership. He never had a chance to reject it. The federal government did not make a proposal to the Ontario government that they enter into some sort of agreement to build the whole trans-Canada pipe line as a public undertaking. Oh, no; they simply went to the government of Ontario and said, "This is it, this is our chosen instrument, Trans-Canada Pipe Lines. We are not concerned about your wishes at all. If you want gas it is going to be through Trans-Canada Pipe Lines or not at all." The province of Ontario was put in the position where it was forced to accept the second best proposal, the Trans-Canada Pipe Lines proposal.

I should have thought that the Prime Minister of Canada would have had the common decency to seek the opinion of the provincial premiers; but when my colleague the hon. member for Moose Mountain (Mr. McCullough) asked the Prime Minister a few days ago whether anything had been done respecting Mr. Douglas' suggestion that the provincial governments concerned might be consulted with a view to some sort of agreement whereby the line could be built as a public undertaking, the Prime Minister said that nothing had been done. He had not made any proposals to the provincial premiers. The government simply laid it on the line. They said, "This is it, Trans-Canada Pipe Lines. This is our baby, and if you want gas through northern Ontario you are going to have to take our proposal or nothing at all."

I think the statement of Premier Frost is quite clear and indicates that two provinces, without ever having been asked by the government, are already on record as being 100 per cent in support of a proposal to build the trans-Canada pipe line as a public utility. Yet this government is completely blind to the realities of the situation and tries to create the impression that the provinces are not concerned. Neither the Prime Minister nor any member of his cabinet has ever said a word about the proposal made by premier Douglas. They have completely ignored it, and the people of Canada will of course be the losers as the result of this transaction.

Why should the province of Ontario not be favourably disposed toward public ownership? I suggest that the Clarkson, Gordon report makes it abundantly clear that under private enterprise they would have to depend on exports of gas to the United States in order to make it feasible. But the same report indicates that even without the export of gas to the United States the project would be economically feasible under public ownership.

That was a report prepared for the Ontario government. Yet the federal government has chosen to ignore this report, has chosen to ignore the recommendation of the premier of Saskatchewan, and has determined to go its own blind way selling out the interests of the people of Canada for the benefit of a corporation, ownership of which lies to the south of the border.

I suggest that throughout the course of the debate the Minister of Trade and Commerce has made government policy quite clear. He has stated in effect that if the job can be done by private enterprise, then private enterprise should be allowed to go ahead and do it. That means, of course, that if private enterprise figure there is enough profit they will go ahead and do the job. If, on the other hand, private enterprise does not do the job then the government will step in. What the government proposes to do in the present case is to have the taxpayers of Canada put up the risk capital. If the undertaking turns out to be profitable they will then turn over the project to private enterprise on extremely reasonable terms. If it is not profitable, then the public will have a white elephant on their hands. That is government policy.

There has been a great deal of talk about the alienation of natural resources in this country. We know that the great iron ore resources of the province of Quebec are being sold to people outside this country by the Duplessis government at a cent a ton, but at least Duplessis did not put up any money. He did not put up taxpayers' money to allow

them to come in and exploit the resource. The pipe line is, after all, the important thing because gas capped in the well is of no value unless there is a pipe line, and in this instance the government is not only alienating this resource of Canada but is adding insult to injury by using the Canadian taxpayers' money to aid a foreign corporation to do the job. You know, it is bad enough when you allow a burglar to enter and rob your house, but when you turn around and give him the tools to do the job that is the essence of pure folly.

I suggest, Mr. Speaker, that throughout the course of this debate we have emphasized the importance of proceeding with this project. We have argued over the years that we ought to be enjoying this natural resource in this country and that the pipe line should have been built. The government has allowed the company concerned to procrastinate, to delay, to deceive parliament for over five years. Finally when the government get down on their hands and knees before the company and have given the company everything it wants and the company is apparently satisfied now that it is getting enough out of the Canadian taxpayers, this same company turns around and says to the government of Canada, "All right; you will put this through before the 7th of June or we may back out."

Why should Trans-Canada Pipe Lines want to back out? After all they have been given at the hands of the government why should they want to back out? But the solicitude for Trans-Canada Pipe Lines does not extend to other areas. We in Saskatchewan have been urging the government for many years to proceed with the South Saskatchewan dam, a project that is going to involve the expenditure of some federal money. But no; no money is available for the South Saskatchewan dam. As far as the maritime provinces are concerned, the government turns a deaf ear to the many needed projects down there.

Mr. Deputy Speaker: Order. I am extremely sorry to interrupt, but I am obliged to advise the hon. member that his time has expired.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I seek the indulgence of the house at this final stage of this most vexatious debate in the hope that it may be possible for a few minutes, at least, for all of us to be stripped of political or party allegiance and to speak to each other not as politicians but as Canadians. I take this position because of the axiom that loyalty to our country transcends the loyalties we owe to political parties and no doubt supersedes all personal and political exigencies. I hold with Disraeli, who said:

> First comes my God, then my Queen and country, then my party, then come I.

With this as a background let us analyse briefly the positions that have been taken by the respective parties in the house and some of the things that have been said by their spokesmen. First of all I put it to you, Mr. Speaker, that there are certain definite common denominators on which we all agree. Let us recognize these common denominators. Everyone in the house has agreed that a pipe line for Canada is vital, that a pipe line for Canada is needed, that a pipe line for Canada will help the future of our country. Of that there is no doubt. Not a single member of the house has stood up in his place to argue that the pipe line was not needed or would not be useful for our country. Hitherto, Mr. Speaker, members of the house were deluged with all forms of advice from the country when they opposed a project before parliament. We were accustomed to receiving briefs from chambers of commerce, submissions from boards of trade, petitions from labour unions, delegations, letters and telegrams. Not a word did anyone hear. There was no complaint from anybody. That told us clearly that not only the members of this house but the entire country without exception were in favour of having a pipe line constructed in Canada. Peculiarly enough, with this almost unanimous consent of the entire country, what has developed in this house? No one opposes it and yet this house was almost split in two and the country was almost split asunder on a matter on which we all agree. Peculiarly enough, as I said we seemed to differ on a very simple thing and that is the method of construction, the way it should be constructed.

An hon. Member: The financing.

Mr. Crestohl: I submit to you, Mr. Speaker, that the method of construction is not anything that should tear this parliament apart as it almost threatened to do. For example, let us examine what our socialist friends say as to how they would like to see the pipe line built. They say, "We would like a pipe line built, we are in favour of a pipe line, but we want it built our way, the socialistic way, publicly owned". I can understand that, Mr. Speaker. The socialists at least are consistent with their political philosophy. As they always do, they follow their teachers: Karl Marx, Robert Ingersoll and later Norman Thomas, Ramsay MacDonald and more lately Clement Attlee. It is a position to take, and I can understand it. But I put this question to my hon. friends. Are they socialists first or are they Canadians first? What would their answer be to that question if they were asked it? Would they sooner see no pipe line constructed at all if it could not be constructed

on socialistic lines? If they say yes, once they say that they favour the pipe line but would oppose it only on the ground that it is not built according to socialistic philosophy, they would be placing their socialism and their socialistic philosophy far above the interests of our country; and that is something they certainly should not do. Of course they cannot answer in that way.

It is true that the minister said at one stage that if there is default—and the hon. member who just took his seat repeated it—the government could take it over. Our socialist friends promptly shouted, "Why wait? Why not do it now?" The answer is also an obvious one. This government is not composed of Liberals in a hurry. We favour private enterprise and we have not yet reached the stage that the socialists have reached.

What do our friends of the Conservative party say? They too take the position that they want a pipe line but they say, "We are not in favour of public ownership; we are a private enterprise party". They have thrived through history because they were a private enterprise party. The government is trying to make of this a private enterprise. Why do they oppose it? They simply say, "We want a pipe line but we want it built our way". That is understandable. I can go along with it. They would like to see it built with Canadian money, under Canadian ownership and Canadian control. But I put this question to them. If a pipe line is so vital and so necessary for the country would they say, "No pipe line unless it can be built with Canadian money and Canadian ownership," assuming that what the government is doing does not give them that? I do not think that the Conservative party, with their loyalty to this country, can consistently say that they would prefer to have no pipe line rather than a pipe line built the way the government intends to do it.

Moreover, Mr. Speaker, the Conservative party have been told as clearly and as categorically as possible that there is no other way, that there is no better way, by which a pipe line can be built now. They were told by the premier of the province of Ontario. They were told by this government. They were told by the man whom they themselves labelled as the one man in the house who knows more about gas pipe lines than anyone else here. He has told them. The premier of Ontario has told them. The premiers of the other provinces involved have told them. Yet they sit back almost doggedly, almost capriciously, and say, "We want a pipe line but we will not let you build it". They too are in that predicament, Mr. Speaker. Their joining the socialist party is in my judgment a forceful denial of all their principles up to the present time. They seem to be bouncing from one foot to the other foot, making one manoeuvre or another manoeuvre as long as they can prevent the building of a pipe line. That conduct is not consistent with the welfare of our country. Perhaps there may be other motives which drive them into this course of action. Perhaps they have their eye on the next election in preference to the urgent needs of the country. If that is so, if it is true that they have their eye on the next election and, with that object in view, have created or helped to create the commotion in the house, let me say this to them. They fall directly into the category so magnificently enunciated by that great political thinker and cleric, the Abbe Raymal, who said this:

> Politics in practice too often means all for party, nothing for people; all for office, nothing for honour; all for power, nothing for progress.

I can think of no more suitable description of the Conservative party if it is true—and I do not accuse them of this—that they have their eye on the next election in preference to having their eye on the well-being of the future of this country.

I also have another brief quotation. J. F. Clark, a recognized philosopher, said:

> A politician looks for the success of his party; a statesman for that of his country.

I believe that the two hon. gentlemen, namely the leader of the C.C.F. party and the leader of the Conservative party, in really doing a little bit of soul-searching, will recognize that, once there is that universal agreement across the entire country that a pipe line should be built, they should, even at this late stage, give their views and their approach to this national problem a second look. Basically, Mr. Speaker, I believe that they are concerned with the well-being of this country above all else, but I believe that they have this entire picture in bad focus and are following a distorted line of action.

It is true, Mr. Speaker—and unfortunately so—that the debate on the bill has produced a by-product, namely the question of closure as it affects democratic rights. This too, Mr. Speaker, has been placed in very bad focus. I submit that the country should be told, not in a rhetorical fashion but in the simplest language, that closure does not prevent debate. If debate was prevented, then it was prevented not by the government. Closure, in its real sense, was designed to fix a limit on the time of debate and nothing more.

Mr. Churchill: But after consideration.

Mr. Crestohl: Yes. To use the terms "guillotine", "choke off discussion", and similar inflammatory terms is to intentionally mislead.

Let me tell you that if closure is an undesirable rule in parliamentary procedure its removal could have come about in 1955 when we revised the standing orders. I should like to tell the house that the very men who spearheaded the attack on closure were members of that committee to revise the standing order. I should like to name the four whom I consider the ones who spearheaded the attack. They are the hon. member for Eglinton (Mr. Fleming); the hon. member for Kamloops (Mr. Fulton); the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Winnipeg South Centre (Mr. Churchill). Now, Mr. Speaker, those men not only agreed to retain closure in our standing orders but they did something even more drastic. They introduced new closures into our standing orders that never existed before 1955. We never had closure on the throne speech debate; we never had closure on the budget debate. We were able to debate those two items as long as we wanted. These men who now complain about closure agreed in their own nimble minds to introduce these new terms of closure into a parliament in which they had never existed before. Today it is the very same miscreants who introduced closure into our house who are complaining about it.

I say, Mr. Speaker, that much criticism was levelled at the minister for having announced closure at the outset. Do you realize we know today when the budget debate next year will be terminated? We know now when the throne speech debate next year will be terminated. We know it now, we know it well in advance. What could be more reasonable, when a debate is to be limited, than that the minister gets up and says, now I limit this debate and I am telling you now when it will be terminated. I think the minister has done the house a service in telling us when this debate will end. I want to say that if it is a sin to impose closure, with the record of the Tory party being the first ones to introduce closure in this house and the fact that the Leader of the Opposition (Mr. Drew) was responsible for introducing it in the legislature, then let him amongst you who is without sin stand up and cast the first stone.

Of course, Mr. Speaker, it is a distasteful procedure, as the Prime Minister (Mr. St. Laurent) has explained. There are other distasteful standing orders in our rules for administering the affairs of parliament. There is standing order No. 11 which says that a member is not entitled to vote on a question in which he has a personal interest. It is a distasteful move to make but the hon. member for Winnipeg North Centre introduced such a resolution. I am sure he did not find it pleasant but it had to be done and he did it. There are other standing orders such as the one to ask a member to withdraw because his conduct is in question. There is standing order 34 to name and dismiss a member. These are all unpleasant standing orders. I must confess that I was not happy to stand up and vote for the dismissal of the hon. member for Eglinton, but it had to be done. He defied authority and for the proper administration of parliament it had to be done. If there are these standing orders they have to be considered.

I see no reason, Mr. Speaker, for our having gone so far afield in creating an issue by questioning our democratic rights. I say that it is improper indeed to deny the rights of a minority; I would defend those rights with my very life if that were needed. But I realize that it is equally improper to frustrate or nullify the rights of a majority by tactics and manoeuvres that are made in bad faith. I say in closing, Mr. Speaker—

Mr. Churchill: I rise on a point of order. I think the hon. gentleman should not use the term, "made in bad faith", with regard to the proposals put forward from this side of the house. That is imputing motives.

The Acting Speaker (Mr. Applewhaite): I am sorry, but I was not following the hon. member's remarks too closely. If the hon. member did accuse another hon. member of bad faith, I am sure he will withdraw it.

Mr. Crestohl: I have not accused any individual member. I say that what has happened, the delaying tactics, in my opinion amounted to conducting the business of parliament in bad faith. That is not an accusation against anyone directly. I say it is a misuse or an abuse of our standing order. Of course, hon. members had the right to do the things they did. They had the right to use the standing orders in this book, but the government also has the same right to use the standing orders in the very same book.

Mr. Nesbitt: And to change them if necessary.

The Acting Speaker (Mr. Applewhaite): I am sorry to have to interrupt the hon. member, but I must inform him his time has expired.

Mr. George H. Hees (Broadview): One of the many myths which the Minister of Trade and Commerce has tried to foist on the Canadian parliament and the Canadian people recently is that the opposition has been able

to obtain the information which it sought about this important matter. Of course, anybody who has been in this house or in the galleries knows that nothing could be farther from the truth. We have had information denied to us on every occasion.

Now, Mr. Speaker, there are two key questions upon which this whole matter revolves. The first is, why is this government building the northern Ontario section of the line for this company? This company received its franchise on the express understanding that it would complete the whole line unassisted by the government. Representatives of the company appeared before the board of transport commissioners on numerous occasions year after year and reaffirmed that assertion. Then, suddenly, the minister announced that the government is going to build this section of the line for the company. He made no explanation why the company is unwilling to live up to the undertaking on which it was awarded the franchise, and the company of course has said nothing on its own behalf. This is one of the great mysteries of the last few years.

It is obvious, I think, that the reason this government is building this section of the line for the company is that the wealthy United States interests which control Trans-Canada Pipe Lines have got the Minister of Trade and Commerce (Mr. Howe) wrapped around their little finger. They have duped him into doing what they want him to do. Can you not see this whole thing taking place in the board room of one of the wealthy United States companies which own this Trans-Canada pipe line? You see the boys sitting around cutting up a melon in advance, and the talk, of course, gets around to the desirability of getting this government to build the northern Ontario section. But these businessmen, being men of common sense, realize that there is very little chance of being able to persuade the government to do this because they know that the government knows that among them they have several times the finances available to build this section. They know perfectly well that the government knows that they received the franchise on the express understanding that they would build the whole line unassisted, and also they know that their representatives have asserted time and again before the board of transport commissioners that this line would be built without financial assistance from the government. But it seems like an attractive idea, and it keeps coming back in the conversation and finally they decide, well, why not have a go at it; why not see if we can get in touch with C. D. He is a good guy. And so they talk among themselves and decide who should be the one who should call the Minister of Trade and Commerce. Whom should they decide upon but the minister's long-time friend, Mr. Clint Murchison, who, of course, is the biggest shareholder in this whole undertaking and who stands to make the most when the line has been completed.

Mr. Howe (Port Arthur): Mr. Speaker, the record shows that Mr. Clint Murchison owns one share of Trans-Canada.

Mr. Hees: The record shows, Mr. Speaker, that Mr. Clint Murchison's company, New Delhi, owns 25 per cent.

Mr. Howe (Port Arthur): You are wrong again. Canadian Delhi.

Mr. Hees: Well, Canadian Delhi, which is Mr. Clint Murchison's company, and the minister knows it. This is simply another example of the minister's mincing of words to try to weasel out of something which he knows is perfectly true. We have heard a great deal of this kind of talk from the minister. That is why we on this side of the house take his statements very much with a grain of salt.

Mr. Pickersgill: Tell us about Ray Milner and M. A. MacPherson.

Mr. Richardson: May I ask a question?

Mr. Hees: No. After I finish the hon. member may ask all the questions he wishes in his own time. Mr. Speaker, you can just hear the telephone conversation that would probably ensue: "Hello, C. D., this is Clint. The boys are sitting around talking about this pipe line, C. D., and they think it would be a grand idea for you to build this northern Ontario section for us. No; we know perfectly well that we have the money to do it. Certainly, C. D., but we could put that money to better advantage in other places; and, as you have said yourself so often, C.D., you have to look after the boys in this pipe line! They have to be able to make plenty out of it, and we want to make plenty; you know that. No, it is not a question of our not doing it. I know we agreed to do it. Of course, we are going to do it. We know it is a plum you have handed us, but we would just appreciate it very much if you would build this section for us, C. D. You are going to look after the boys? You will? Oh. Well, that's swell, C. D. The boys are going to be very happy about this real nice gesture you are making, C. D. Don't forget to come down for another turkey shoot. Did we ever have a time the last time, yes, sir. As you have said, that is the way for fellows to get together. It sure is. Yes, you bet it is, C. D., yes, sir. That is the way for fellows to get together. We never would have started on this project if it had not been for that turkey shoot. We will be seeing you, C. D."

The receiver is hung up. Just picture that board room, Mr. Speaker, the scene in that board room after the information comes through.

An hon. Member: A picture of the ex-president of the Conservative party.

Mr. Hees: The boys are rolling around, slapping their thighs and laughing themselves nearly sick. They say, "He went for it! He went for it! You could not believe it." "Yes, he did," says Clint, "he went for this deal". That is just about the way the whole thing went, Mr. Speaker, mark my words. If that is not the story, I ask the Prime Minister and the Minister of Trade and Commerce why this government decided, after this company was given the franchise on the understanding that the line would be built without government assistance, to build it for the minister's pet instrument in this deal?

Then, Mr. Speaker, another question that remains unanswered is why, if this company took the franchise on the explicit understanding that they would build the whole line unassisted, is the company having the prairie section built for it, even though it is by far the easiest section of the line? The answer is again, the company was so successful the first time, that the boys could hardly believe their ears. Since the minister went for their deal the first time, they decided, why not try again? As they did not dare ask for complete financing, they asked for 90 per cent of the deal, and, of course, the minister went for it again lock, stock and barrel. Was he ever led down the garden path by the wealthy United States interests that are controlling this company!

There is no doubt at all that when this line gets to Winnipeg, this company will once again cry on the minister's shoulder, as it did on those two previous occasions. They will turn to the minister and say: "We cannot finance construction. Will you please finance construction for us?" Of course, he is going to finance construction as far as the Ontario border from Winnipeg, and later, when the line gets to Kapuskasing, you can just see them coming to him again and crying on his shoulder, and he is going to agree once again to build the remainder of the line for the company.

I see it is five o'clock, Mr. Speaker, and since I have something more to say I will sit down.

PRIVATE BILLS

RUTH CAROL FRIEDMAN ALLEN

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 366, for the relief of Ruth Carol Friedman Allen.

Private Bills

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

MICHAEL COSTOM

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 380, for the relief of Michael Costom.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

MARY ETHEL IRVING BUCHANAN SIMCOX

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 389, for the relief of Mary Ethel Irving Buchanan Simcox.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

Mr. Speaker: There are several other bills, being divorce bills. Shall I continue to take them one by one?

Mr. Nicholson: Call order No. 52.

Mr. Speaker: Order No. 52?

Mr. Nicholson: You might take the others first.

Mr. Speaker: Let me check to see whether my understanding is correct. As I heard him, the hon. member said I can take in one motion orders numbered 48, 49, 50 and 51. Is it agreed?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 390, for the relief of Constance Catherine Mary Pilon Milmine.—Mr. Henderson.

Bill No. 391, for the relief of Joseph Henri Maurice Messier.—Mr. Henderson.

Bill No. 392, for the relief of Mildred Helena Seale Darker.—Mr. Henderson.

Bill No. 393, for the relief of Robert Alfred Price.—Mr. Henderson.

ALFRED SEVIGNY

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 394, for the relief of Alfred Sevigny.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, this is the bill which was before the Senate committee last year and reached us as Bill No. 490. It was duly referred to the miscellaneous private bills committee and, after witnesses had been heard, after the petitioner had presented his case and the witnesses appeared and the respondent was given a chance to tell her story, the committee decided that this was a case which

should not take the time of hon. members. The *Journals* of the House of Commons for Friday, July 1, 1955, reported as follows:

> Your committee has also considered Bill No. 490, letter Q-16 of the Senate intituled: "An act for the relief of Alfred Sevigny", and has agreed to report the preamble thereof not proven on the grounds that the committee is not satisfied that the petitioner is worthy of having his petition granted.

I do not propose to review all the evidence, but the respondent was examined as follows:

> Q. You mentioned before that he had beat you. Could you tell us a very specific occasion that is outstanding in your mind?
> A. He beat me the first time after our marriage after we have moved to Thetford.
> Q. But how often did he beat you?
> A. Two or three times a week.
> Q. Can you mention any particular occasion that is distinguished from other occasions for any special reason?
> A. Once he beat me and I remained in bed for 15 days.
> Q. Why did you have to stay in bed for 15 days? What was the result of the beating?
> A. Because my face was all smashed up.
> O. How did he hit you?
> A. He hit me with his fist on the side of the mouth and broke my jaw.
> Q. What happened to you then and there right after he hit you?
> A. I don't remember. I fainted.
> Q. Are there still any results of that beating, any consequences to date?
> A. Yes. Two months ago I had to go and see a specialist for my eyesight. The specialist told me I had two scars in my eye, and this was a result of being hit.
> Q. Ten years ago?
> A. Yes.
> Q. Are there any other scars left as a result of that?
> A. A small scar at the back of the head when he hit me and I fell in the street.
> Q. What have you to say with reference to your husband giving you money to live on?

She then gives evidence to indicate how much those amounts were. This woman did not represent herself as a saint. She admitted that there were grounds on which divorces have been granted which could be charged against her. She appeared before the Senate committee and our committee and she appeared to be telling the truth. I want to pay a tribute to members of the committee, particularly the government members, who reviewed this case last year because after taking all the evidence into consideration it was decided that on balance the committee was not satisfied that the petitioner was worthy of having his petition granted. Having reached that decision a year ago and with some of the same witnesses appearing this year, I do not think that this House of Commons should be asked to grant a divorce for this particular petitioner.

I notice that right up until May 14 the respondent was protesting but apparently her lawyer wrote a letter to counsel for the petitioner saying:

> This is to advise you that my client, the respondent in the divorce application of the above-named has decided not to contest the petition for divorce.

I notice that a year ago this respondent was forced to go to the Household Finance Company to get $75, on which I presume she had to pay interest at the rate of 24 to 26 per cent, in order to obtain counsel to fight her case. Seventy-five dollars would not go very far in paying counsel and bringing winesses from Montreal to Ottawa. I understand another $75 was ordered by the other place.

One significant thing that happened last year was that the sister of the petitioner came before the Senate committee and the miscellaneous private bills committee and gave her sister-in-law a very good name and represented her own brother as being a person unworthy to be granted a divorce by the parliament of Canada. I hope that hon. members who reviewed the evidence last year and considered that this was a case that should not be approved will vote accordingly when the vote is called.

Mr. W. J. Henderson (Kingston): Mr. Speaker, this is the motion for second reading of this bill, and I submit that it should be permitted to go to the committee which has been set up to deal with bills of this type. I was impressed this afternoon by the statement of the hon. member for Eglinton (Mr. Fleming) that there should be a searching inquiry made by a committee of this house, and I presume that that should apply to this instance.

There are probably several new members this year on this committee which is responsible for approving or disapproving of bills of this nature and I think it is only fair that they should be given an opportunity to consider this bill. They should not be confused by evidence which was presented in a previous year, possibly before an almost different membership. I would point out that the respondent did not appear at the Senate committee hearing and I feel that under the circumstances this bill should go to the committee which is set up to handle it.

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

Mr. Knowles: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

FINANCIAL ADMINISTRATION ACT

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

The house resumed, from Tuesday, March 6, consideration of the motion of Mr. Poulin for the second reading of Bill No. 149, to amend the Financial Administration Act.

(*Translation*):

Mr. Paul E. Gagnon (Chicoutimi): Mr. Speaker, the bill now before the house unequivocally shows the importance which the hon. member for Beauce (Mr. Poulin) gives to the matter of bilingualism.

I heartily congratulate my colleague on this happy initiative and consider it an honour to have the privilege of supporting his efforts.

Outside of election time, when it is permissible to question the sincerity of those in office, our federal statesmen seldom have the opportunity to extend to minorities the benefits of their broad-mindedness, their understanding, and their generous impulses.

Now this pleasing opportunity is being offered to them by this bill. In fact it affords the government a wonderful chance to show French Canadians how much consideration it is prepared to give to their requests and how far they are willing to go in giving them a square deal.

The adoption or defeat of the bill will, to a large extent, reflect the pro-French or anti-French sentiments of the leaders and supporters of the Liberal party.

There are things that should not have to be requested, and which, by their logic or nature, are self-evident necessities. Respect for and recognition of the two official languages of Canada are among them.

It might be assumed in certain quarters that in requesting bilingual cheques we are seeking a favour. The fact of the matter is that we are merely seeking confirmation, under a new form, of a sacred and inalienable right of the first settlers of this country.

> The Acts of the Parliament of Canada and of the Legislature of Quebec shall be printed and published in both those languages.

So reads the final paragraph of section 133 of the British North America Act. It is the only constitutional document relating to bilingualism. Brief and concise, those few words, by their very ambiguity, have led to a restrictive interpretation of the principle stated, and this has been the basis of the unfortunate doctrine of the "Quebec Reserve". Faced with the French achievement, carried out by a third of Canada's population, the Anglo-Saxon majority limited its concessions to the strict minimum in the federal field, leaving it to the province of Quebec to observe the letter and the spirit of the pact of 1867. However, the statement that no legal document protects the French language outside of Quebec is untrue. I am now quoting from chapter 3 of the Statutes of Canada 1870, 33 Victoria, section 23, admitting the province of Manitoba into confederation:

> Either the English or the French language may be used by any person in the debates of the houses of the legislature, and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person, or in any pleading or process, in or issuing from any court of Canada established under the British North America Act, 1867, or in or from all or any of the courts of the province. The acts of the legislature shall be printed and published in both those languages.

That section of the Manitoba Act implies that not only in the province of Quebec is the French language official. Therefore, the imperial act of 1848, which restored the official character of the French language in Upper and Lower Canada, also applied to the province of Ontario. The French-speaking delegates at the Quebec conference surrendered none of our rights.

Moreover, none were revoked by the imperial parliament.

In 1871, that parliament sanctioned legislation of vital importance. It was entitled "The British North America Act, 1871". It is chapter 28 of the Statutes of Victoria 34-35, assented to on June 29, 1871.

According to section 2 of that act, the federal parliament is empowered to form from time to time new provinces out of Rupert's Land and the Northwest Territories just acquired under confederation. I quote:

> . . . and may at the time of such establishment make provision for the constitution and administration of any such province . . .

Now section 4:

> The Parliament of Canada may from time to time make provision for the administration, peace, order, and good government of any territory not for the time being included in any province.

Section 5 confirms the two acts already voted by the federal parliament: the North-West Territories Act of 1869 and the Manitoba Act of 1870.

Section 6 provides that once the parliament of Canada has formed new provinces, it shall no longer have the right to alter the provisions of any law pertaining to them, save by prior agreement of the legislature concerned.

Financial Administration Act

During the session of 1877, the North-West Territories Act was amended. By section 11, chapter 7, 40 Victoria, the federal government provided that the use of the French language would be optional at the legislative assembly and in any court within the territories:

Section 11—Either the English or the French language may be used by any person in the debates of the Council or Legislative Assembly of the Territories and in the proceedings before the courts; and both those languages shall be used in the records and journals of the said Council or Assembly; and all ordinances of the said Council shall be printed in both those languages.

In the Revised Statutes of Canada of 1886, the school section of 1875 became section 14 and the clause voted in 1877 to preserve the rights of the French language, became section 10 of chapter 50.

Without the slightest doubt, the source of most of the difficulties encountered by French Canadians in connection with the two official languages derives from the lack of clear and accurate definitions not only in the constitution itself but in the legislation enacted subsequently.

On the other hand, English-speaking Canadians did not concern themselves too much with our interests and claims and cared still less about anticipating and giving satisfaction to our legitimate wishes. One must recognize that, with a few exceptions, they have rather hindered than helped us in the struggles we have had to wager, since the conquest, against assimilation by the English and the use of one language only.

The privileges we enjoy today in the exercise of some of our prerogatives have been more often conquered by us than generously granted by them.

If we have remained French Canadians, it is certainly not their fault. The scorn, the insults, the persecutions, the contempt, the unfair school laws that my fellow-citizens had and still have to put up with in some provinces are proof enough of the narrow-mindedness of some of our rulers.

In this connection here is a news item published in the *Gazette* of May 5, 1954:

(*Text*):

English-speaking Canadians have not followed the British example of "being scrupulous to respect the rights and even the sensitivities of the French Canadians", Murray G. Ballantyne said here yesterday.

Mr. Ballantyne, a journalist and former professor of history at Loyola College, was addressing the Montreal Lions Club on "French Canada and Confederation".

Mr. Ballantyne said "We must accept the fact that Canada is called by history to be basically bilingual and bicultural. Our national destiny is difficult, but enriching.

"Canada is the French Canadians' home, and they ought to be able to feel at home in it from the Atlantic to the Pacific. Together, we French and English-speaking Canadians can build a great nation . . .

"Apart, neither can succeed."

Mr. Ballantyne looked back into the historical record to support his claim:

"The only reason we have a confederation instead of a unitary state is because of the French. We wanted to bring them into partnership with the English-speaking Canadians, yet at the same time we wanted to preserve their rights to their own way of life.

"We divided authority between Ottawa and the provinces primarily so that the French would not be swamped by the majority."

"The English in Quebec are perfectly free to teach in their own tongue. The French in Ontario are not," Mr. Ballantyne said.

Mr. Ballantyne went on to point out that in Manitoba the French tongue has been deprived of all recognition and Catholics who want their own schools have to pay taxes to the public schools as well.

"Thus the French Canadians are once again made familiar with the penalty of double taxation," he said.

In Quebec, where nine out of ten people are Roman Catholic and eight out of ten speak French, there is full autonomy and full equality. Dr. James Paton, secretary of the provincial association of Protestant teachers, says:

We're well treated here. We get our full share of tax money. The Catholics go out of their way to be fair and even generous to us. We're only embarrassed because the Roman Catholic schools in other provinces don't get the same break.

Among English speaking provinces only Alberta and Saskatchewan come anywhere near giving Roman Catholic schools the treatment that Protestant schools get in Quebec.

(*Translation*):

Speaking in particular about the way French Canadians are treated outside of Quebec, Mr. B. K. Sandwell, former editor of *Saturday Night*, in a book published in Montreal under the patronage of UNESCO and entitled *The Canadian Nation*, notes that:

The English Canadian can go out of his province; everywhere he will have the benefit of English schools and all the cultural advantages that this entails. Once out of Quebec, the French Canadian meets but difficulties if he wants to give his family a French education. In such conditions, we need not be surprised if the patriotism of the French Canadians of Quebec is local rather than national. It is only in that officially bilingual province that they feel at home; they cannot have such a feeling in other provinces where their language and culture do not enjoy any special right.

And Mr. Sandwell adds the following reproach to which our English-speaking fellow citizens should give their thought:

This conflict opposing the advocates of one language in all the provinces except Quebec to those who want both languages to be recognized is the most serious obstacle to an amendment of the constitution; what is still more serious, it prevents the creation of a truly national spirit.

Mr. Speaker, this charge made by an English-speaking Canadian against a restrict-

ive interpretation of the official rights of the French minority in Canada deserves our attention. The refusal of true bilingualism by the provinces and even by the federal government is the main obstacle to a communion of ideals between Canadians of both cultures.

> It does not seem therefore that the French Canadians are at the root of those difficulties; they are rather the victims of a cultural ostracism which hinders the development of a national ideal. As soon as the French Canadians will be treated everywhere as equals, national unity will come as by magic. You cannot build a nation by being unfair and by violating the natural and constitutional rights of one section of the population.

This was written by Mr. Clement Brown in *Le Droit* of April 14, 1954.

According to what is said and done at the House of Commons however, this situation is improving gradually.

There is no doubt that, as far as goodwill is concerned, considerable progress has been made during the last few years.

I am personally very glad to have among my friends the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) who, following the example of some of his co-religionists, has learned French, speaks it quite well and never misses an opportunity to study our problems and to try, to the extent that his socialist background will allow him to do so and as long as the interests of Saskatchewan are preserved, to understand them in the light of reason and common sense in a truly Canadian spirit.

I take this opportunity to congratulate him and to tell him that his contribution to the cause of national unity as well as his support are greatly appreciated.

The sympathy and friendship of our other English-speaking colleagues is to us a source of joy and hope.

When this bill has been adopted, a new step will have been made towards harmony and goodwill between the two great races of this country and towards the achievement of our common destiny.

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, I believe that as a Canadian of French descent, it is my duty to make a few comments concerning the bill that is now before this house. I think there is not much I can add to the remarks of the hon. member for Beauce (Mr. Poulin). His speech was a model of moderation, and indicates on the part of its author a thorough command of his subject.

I merely wish to add a few general thoughts and take this opportunity of making my position known on this important matter.

Quite a number of my supporters have asked me to state my position in this respect. I have no hesitation whatsoever in stating that I support this bill with all my heart and that I will proudly vote in favour of its adoption.

The origin of bilingualism in Canada dates much farther back than 1867; the French achievement is the very basis of the discovery and colonization of our beautiful and great country. The hazards of European politics, in which we did not participate, ordained that we were to share with the Anglo-Saxon people the privilege of creating a young and vigorous nation.

This dual civilization, which enriches Canadian life and of which we are proud, must be exteriorized by all means of expression at our disposal.

Every people has its own character, its own genius, its own heredity. It might be thought by some people that we should not attach so much importance to the printing in both languages of government cheques and other negotiable notes. However, in my view, Mr. Speaker, it is a practical way of expressing the characteristics of the Canadian people.

The confederation act officially sanctioned the mutual wish of both racial groups of this country to work side by side for the greatness of Canada, in the respect of one another's rights.

The principle of bilingualism, Mr. Speaker, has been established and recognized by section 133 of the British North America Act. We should remember that section for it had a great influence all along the advance of the Canadian nation towards its maturity. It reads as follows:

> Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.
>
> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

From the text I just quoted, it was obviously the legislator's intention to make the use of both languages mandatory in the drafting of official parliamentary documents. I admit that neither cheques nor other negotiable effects are specifically mentioned in clause 133, but if this section of the Constitution is to be construed practically and logically, the use of both official languages should obviously find place in every manifestation of Canadian life. In 1927, postal orders, money orders, postal and excise stamps were made

bilingual. While this act of courtesy, of justice and generosity on the part of our English-speaking fellow citizens hurt no one, it was a great cause of satisfaction to all Canadians of French origin.

A second important step towards bilingualism was the issue of bilingual money in 1936. This took place under a Liberal government and the argument of those who held that this gesture might foster disagreement or create difficulties for the government is easily disproved by the fact that, since 1936, national unity has made giant strides, and the government that was responsible for it has been continually re-elected since.

The bill before us would complete the official recognition of bilingualism by printing in both languages cheques and other negotiable effects issued by the government or by a crown corporation. Once more our English-speaking compatriots are given a chance to show that they understand and appreciate the French element's share in the birth, conservation, safeguard and development of our country.

All through our political history, the Liberal party has been recognized as the party of Canadian unity. Its leaders have always given perfect examples of their broad-mindedness and of their spirit of conciliation. They have long since understood that Canada's future rests on the vitality of two great races having different traditions, marching side by side, but without merging or losing their characteristics and without there being any question of assimilation.

They also understood that each should strive to know the other better, and that while scrupulously respecting the constitutional rights of minorities, a study of both official languages should be encouraged as much as possible.

But to reach that goal, we must first recognize those languages in a practical and effective way everywhere in Canada.

Mr. Speaker, bilingual postage stamps, bilingual bank notes, bilingual cheques are all messages of good will that circulate between provinces. To foreigners they proclaim our bi-ethnical character, and to Canadians they testify to the maturity of our nation and effectively prove our mutual understanding and the reciprocal recognition of our mutual rights.

I do not want to speak too long, so as not to delay the passing of this bill.

In the past, the Minister of Finance (Mr. Harris) has shown his spirit of fairness and understanding. I am confident he will grant the request made in this bill and that he will give the necessary instructions so that, from now on, all cheques and negotiable instruments issued by the government or by crown corporations will be printed, as the bill says, both in English and in French.

Before I resume my seat, Mr. Speaker, let me say once again that I will be glad to vote in favour of the bill introduced by the hon. member for Beauce.

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, it is with a true sense of pride that I rise now to give unconditional support to the bill under review, sponsored by my distinguished colleague, the hon. member for Beauce (Mr. Poulin).

When this bill was introduced, I hastened to congratulate the hon. member, and I take the new opportunity that is now offered me of congratulating him again most warmly, wishing with him that, in the interest of the great cause of the national unity of our country, this bill will become law as soon as possible.

Since I have been sitting in this house, I have noticed with very great satisfaction that our English-speaking compatriots, on both sides of the house and regardless of party, occasionally paid us the honour of using that other official language of Canada, which is my mother tongue.

We are grateful to them for their magnificent effort, and we hope that several others will follow their example. Thus the relations between the two great races which make up the majority in this country will be facilitated, and this can only lead to better understanding. The more Canadians who can fluently speak the country's two official languages, the more cordial our relations are bound to be and the more can we help cement for all time national unity, without which happiness and prosperity are impossible.

We should no longer have to be taught a lesson by great statesmen of the democratic world who honour us by their visits and who, unlike far too many Canadian members of parliament, address us in both official languages. I need quote no other examples than those of our gracious sovereign and of the Queen Mother, and last year that given by the President of the United States, Mr. Eisenhower, and more recently by the Prime Minister of Great Britain, Sir Anthony Eden, and this morning by the President of the Indonesian Republic, Mr. Sukarno.

If those great figures of the free world are pleased to address us in French and in English in the House of Commons, the debating hall of the representatives of the Canadian people, it is because they know and realize that there are in Canada two official languages, and that neither has precedence over the other, that they both have the same value and that they are both on an equal footing. As stated by previous speakers, my argument is based on the spirit of the Canadian constitution which recognizes bilingualism in our country.

Is it not true that in this very chamber, Mr. Speaker, you must use both languages, and are not our debates printed in both French and English?

There can therefore be no doubt that the two languages of Canada are officially recognized and no fair-minded Canadian would dare state the contrary.

This formula was vividly recognized—I may be allowed here, Mr. Speaker, to differ from the hon. member for Lake St. John (Mr. Gauthier) who has just resumed his seat—by a Conservative administration under the late Right Hon. R. B. Bennett who, in deference to the wishes of the majority of Canadians and more particularly of the French-speaking Canadians, gave us bilingual money which, by the way, lost nothing of its value by reflecting the bilingual character of this country.

It never occurred to our Anglo-Saxon fellow citizens to refuse our country's money because it was printed in both languages.

It seems to me that, after such a forward step in the direction of common sense, even if more than 20 years have passed since that memorable day, we must continue on the road to progress, as far as bilingualism is concerned, by giving our unanimous approval to the bill introduced by the hon. member for Beauce (Mr. Poulin).

In fact, the bill gives rise to no complication and, contrary to what the hon. Minister of Finance (Mr. Harris) said, it entails no extra expenditure. In my view, the argument of the hon. minister is preposterous, and his more or less shaky explanation is but a pretext to reject the bill. I dare hope that, since he made that assertion, the hon. minister has revised his views, that he has undergone a complete change of mind and that he will gladly support the bill submitted to the approval of the house by the hon. member for Beauce.

Those who print cheques, drafts, bills of exchange, postal notes, postal money orders and other negotiable instruments will not need more paper and will not charge more to the government for printing these documents in both languages, the more so since these documents are printed in millions of copies and that profits on such printing are very reasonable.

In adopting this bill, the government would show its patriotism and its understanding, and would greatly help to dissipate from the minds of my French-speaking compatriots their feeling of isolation in the province of Quebec.

The time has come to dispel from the minds of those who still cling to this antiquated view, the thought that the province of Quebec is a reservation where only French Canadians have access.

We want all Canadians, whatever their racial origin, to feel at home in the province of Quebec as long as they remain mindful of the law.

On the other hand, we want French Canadians, equally mindful of the laws in the other provinces of the confederation, to feel at home everywhere in Canada.

Why this distinction, why admit French in the province of Quebec and refuse it elsewhere? Yet there are more than a million French Canadians living in the rest of Canada. To my mind, this is a serious injustice which should be corrected in the shortest possible delay.

At this moment, all hon. members in this house are given a chance to show themselves as Canadians in the fullest sense of the word by voting without hesitation in favour of the bill presented by our distinguished colleague from Beauce.

In so doing, they will also rectify the injustice committed every day in the province of Quebec when English-speaking fellow-citizens receive cheques made out in French.

Let us act with justice and tolerance towards all, let us return to the spirit of the Canadian constitution and let us dedicate all our efforts to the making of a bilingual country of Canada.

All the speeches delivered on national unity will be but empty words if we cannot practise, at least in some measure, what we preach.

Mr. Speaker, with a few exceptions, all my electors are French-speaking and many of them have asked me to speak on their behalf on this occasion.

I thank and congratulate from the bottom of my heart the hundreds of citizens of my riding who wrote to me about this matter. It shows that they consider this bill as important. However, I can assure them that, even without a word from them, I would have taken the same stand to demand without the least hesitation what I believe to be logical, fair and patriotic.

I want to congratulate particularly the management of the Paquet Company Limited of Quebec, the largest retail concern in our district, who took an interest in this bill and who acknowledge, even in the midst of a nearly 100 per cent French-speaking population, the necessity of bilingualism back home and everywhere in Canada. This example of true Canadianism should be followed throughout the country.

In conclusion, Mr. Speaker, I want to say that every Canadian will appreciate the gesture of all those who, by word and vote, will support the bill which is now before the house and which I support myself with the utmost feeling, on behalf of all the people I represent here.

We are grateful to the hon. member for Beauce whose personal merit and well known patriotism make him a citizen of whom we are proud. He has acquired a new stature, if that were possible, in presenting this bill, and he has won the affection and the admiration of all who are worthy to be called Canadians.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I am happy to have this opportunity to make a few brief remarks in favour of the bill now before the house.

On March 6 last, the hon. member for Beauce (Mr. Poulin) introduced for second reading Bill No. 149, entitled: An act to amend the Financial Administration Act. In language moderate and to the point, he explained to this house that the spirit of our constitution recognizes bilingualism in both the written and the spoken word. As a matter of fact, the existence of the French language in Canada has unquestionably affected the nature and the development of culture in this country.

In the last 25 years, and especially in the last decade, the constant growth of bilingualism in various parts of Canada is something which we could not help noticing. This development and progress have even had their effects in this house.

During the debate of the last few sessions, we have seen that a goodly number of members from predominantly or almost exclusively English-speaking communities have made it a point to say a few words in the other official language of Canada, and that they have expressed themselves in almost flawless French. This noble gesture on their part proves that they are ready to recognize the survival of the French language in Canada and the advantages of its constant growth as an instrument of culture in the various classes of society.

Indeed, Canada has its Canadian press which, although not always fully in agreement in the matter of ideas, has become an important factor of bilingualism and unity while reporting the national activities of the two main groups of our population. In our own press gallery, correspondents and reporters of both languages work side by side in a true brotherly spirit, in giving the people of this country their own interpretation of the proceedings in this house.

The desire for mutual understanding seems more and more evident among a large and growing number of our people, again as a means of maintaining, and of spreading if possible, the knowledge and the practical point of view of both languages in this country.

In 1936, the government of Canada unequivocally recognized the importance of, and the justification for, bilingualism in this country by giving our currency its present character. However, our money is not our sole means nor our sole aim in transactions. Cheques, in a general way, especially those issued by the federal government in the provision of social services, such as family allowances, old age pensions and others, as well as those which are regularly distributed to civil servants, should also carry that bilingual character which contributes to the solidarity and unity of our nation.

There is no doubt that bilingualism is growing, and is spreading to various areas of the country, without giving rise to undesirable controversy. The year 1955 has been memorable in the history of Canada, more particularly for the small Acadian people, who last year celebrated the second centennial of its deportation. Throughout Acadia, in numerous centres of the other Canadian provinces, in New England and in Louisiana celebrations marked the rebirth and survival of that small group who, exactly two centuries ago, were condemned to dispersal and near extinction. In New Brunswick alone that

small group now represents nearly 250,000 people, i.e. more than 40 per cent of the total population of the province. With its fellow citizens of British and other origins, it largely contributes to the fulfilment of their destiny on this American continent.

The granting of bilingual cheques by the federal government would be welcome, more particularly by New Brunswick, as a token of consideration and appreciation by those good people who offer a striking example of that understanding and co-operation which so largely contribute to the maintenance of our national unity.

Mr. Gerard Legare (Rimouski): Mr. Speaker, we are indeed celebrating this year the 20th anniversary of the adoption of the act that gave our country a bilingual currency.

I remember reading at that time the favourable comments in both the English and the French press, rejoicing over that decision of parliament. Since then, similar statements have been issued on many occasions. Newspapers and magazines have often printed statements of eminent people who earnestly asserted that cultural and racial duality in this country was of great advantage to the Canadian nation as a whole. Furthermore, as an hon. member who spoke before me was saying, we do not have to go back 20 years, 10 years, or even 5 years to find statements in favour of bilingualism in this country. We merely have to remember events that took place in this house since 1953, and particularly what was said by Queen Mother Elizabeth on the occasion of her visit, when in her splendid address delivered in both languages, she stated how privileged we were in Canada to have two official languages.

The President of the United States, Mr. Eisenhower, also made a similar statement in this house. We also heard the Prime Minister of the United Kingdom, Sir Anthony Eden, express views to the same effect, in French and in English, and praise the extent of French culture in Canada.

The bill moved by the hon. member for Beauce (Mr. Poulin) seeks no privilege nor favour. To my mind, his bill claims the recognition of a right. French-speaking Canadians living in all provinces of Canada are entitled, it seems to me, to have negotiable bills, issued by the federal government, printed in the two official languages of this country. Besides, as has already been pointed out, French-speaking Canadians make up nearly one third of the population of Canada, and in the province of Quebec itself that racial group is equal to 80 per cent of the population. Therefore, English-speaking Canadians enjoy preferential treatment in the province of Quebec, where the right to speak English is acknowledged by all, as it should be. On the other hand, French-speaking Canadians are at home everywhere in this country. That was brought home to me during a visit I made in western Canada, where I was happy to feel at home. That is why I am happy to note that from year to year French-speaking Canadians are more and more appreciated and liked. And this is pretty general. Some may say that they have heard statements to the contrary. I know that in the past we heard statements to the effect that the French language was perhaps badly treated in certain quarters; today such statements do not hold any longer in this country. There is almost unanimity, as I said a moment ago, in favour of bilingualism in Canada.

In the course of my research, going through files on bilingualism both in this house and elsewhere, I came across correspondence between a former member of this house, a Mr. Cohen, who was sitting here in 1936, and a young student in western Canada by the name of Boulanger. This young student was only 14, and has corresponded with Mr. Cohen. As a matter of fact, the first letter written by Mr. Cohen to young Boulanger was to tell him that he didn't want to receive anything in French; nevertheless, he agreed to read his letters and finally Mr. Cohen agreed, in that correspondence, that he had been converted to the necessity of imparting that official character to both languages in this country. Because of the efforts of this young lad of 14, Mr. Cohen graciously recognized the prejudices which he had nourished in the past and which he regretted. He was now ready to admit that the French language had equal rights in this country.

Although he was only 14 at the time, young Boulanger pointed out that the founders of Canada had played a great part in Canadian history and he so convinced Mr. Cohen that he made him recognize his mistake in refusing to accept the French language.

I have given this example, Mr. Speaker, to show that today English-speaking Canadians readily—and I underline the word "readily", because of the marked change in this regard—accept the duality of culture; they recognize that the French language has

equal rights in Canada and that we are entitled to express ourselves in our own language, wherever we may be in Canada.

Mr. Speaker, may I move the adjournment of the debate?

(*Text*):

Mr. Speaker: At eight o'clock the house will resume 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.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE, MAKE SHORT-TERM LOANS, ETC.

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the third reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, and the amendment thereto of Mr. Drew.

Mr. Hees: Mr. Speaker, when I was speaking at five o'clock I described what this government is doing for the Trans-Canada Pipe Lines company. I described that it is building the first one-third of the line for the company; it is financing 90 per cent of another third, and in all likelihood, judging by the willingness of this government to do unlimited favours for this company, it seems quite possible that when the time comes, the government will finance the last third of the line for the company. At the same time the government is leaving the company completely free to make all the profits which it can make. Those profits undoubtedly will be many millions of dollars each year. This, Mr. Speaker, is no less than an investor's paradise. The government is making such a paradise out of a company which is owned 83 per cent by wealthy United States financial interests.

Now, Mr. Speaker, we all know that big American companies are in the habit of repaying very generously indeed those who do favours for them. That is why Washington is a haven for the 5 percenters. This particularly applies to United States gas companies. That was the reason why General Eisenhower, the president of the United States, vetoed the natural gas distribution bill on February 17. He described the tactics used by the United States gas companies as being arrogant and not in the best interests of the American people, and he vetoed that bill.

This company, Trans-Canada Pipe Lines Limited, is owned 83 per cent by large United States gas companies, and that is a particular reason why the Prime Minister (Mr. St. Laurent) should bring this whole matter before the committee on railways, canals and telegraph lines, in exactly the same way as has been done with every other transportation measure that has come before this house in my knowledge. They invariably are put before the committee and thoroughly examined. The officials of Trans-Canada could be brought forward, and this whole undertaking could be investigated from top to bottom, and parliament could know the details which we have been denied to date.

I believe that Trans-Canada Pipe Lines will handsomely reward the party in power which has handed out to it so many favours and obviously will hand out more favours to it in the future. After all, as I have said, this government is financing the construction of the line and leaving the company free to make profits which are going to amount to several million dollars a year. I think this company, which is an 83 per cent United States company, in thinking this whole thing over will consider that it should deal generously with those who are making this whole operation possible through financing the line for it and rejecting the applications of any other companies that come forward to put forward propositions. All other propositions have been consistently turned aside and not even listened to. I think Trans-Canada will consider, for instance, that a contribution of say a million dollars to the Liberal campaign fund for the next election would be very small repayment for the tremendous and unprecedented and almost unbelievable favours this company is receiving from this government.

An hon. Member: How irresponsible can you get?

Mr. Hees: Mr. Speaker, there has been a great deal of speculation concerning when the next election will be held. In trying to decide when it will come about, I think we have to bear in mind that April 2, 1957 is the key date. That is the date by which the government must make good on their assurance that they will not take over the company. I feel sure, and I think all of us feel sure that when Trans-Canada Pipe Lines comes forward on that date next year it will be forced to say it cannot complete its financing because there will be no decision

from the federal power commission of the United States by that time; too much evidence is piling up against the application every day. I am told there are 200 pounds of petitions which have accumulated so far, and more come in every day. Therefore I think it is certain that there will be no F.P.C. decision by April 2 of next year. I feel sure, and I think all of us feel sure, that the Prime Minister assured this company when that date came due, the government would not take over Trans-Canada Pipe Lines, otherwise they would not have gone ahead and placed orders for pipe, as they have done recently. Therefore that is the key date for the next election. After that date is passed, I think you will see an election and then, Mr. Speaker, If I am not wrong and I do not think I am going to be—

Some hon. Members: Oh, oh.

Mr. Hees: —you are going to see the most lavish Liberal campaign this government has ever sponsored. You are going to see a gigantic television program, a gigantic advertising program, the cash inducements to "Vote Liberal" are going to be bigger than any you have ever seen before. This is going to be a Liberal campaign to end all Liberal campaigns.

We have seen, Mr. Speaker, what this government is willing to do for a company owned 83 per cent by wealthy United States interests. What is it willing to do for Canadian provincial governments that come forward to it for meagre assistance just to help them with their limited financial resources to develop power and other natural resources to bring industries to their provinces, and thereby increase the standard of living of their people?

I give you as an example the province of New Brunswick. The premier of New Brunswick came here and asked for federal backing for his power development bonds, so that he could have a lower rate of interest on the money he had to borrow to complete that project, and to lower the charges against his people, to develop power and increase their standard of living. This would not have cost this government one penny, nor would it have cost the taxpayers of this country one penny. It would simply have meant that this government would have backed the power development bonds of that province, and it would have shown that this government was interested in the power development in our Canadian provinces. But was this done? Certainly not. The reason was because they have a Liberal government in New Brunswick and it was felt by them that—

Mr. Hosking: Wrong again, George.

Some hon. Members: Oh, oh.

Mr. Hees: I will make a correction this time. They had a Liberal government, and now a diminishing Liberal party in New Brunswick, which convinced this government that if they gave assistance in the form of backing those bonds, it would be more difficult for them to ever get back into power, and this government listened to the advice of the provincial Liberal party in New Brunswick, and that is the reason the federal government is not backing the power development bonds of New Brunswick.

Another example is the province of Saskatchewan. That province came forward and merely asked for assistance in completing a power dam which will provide 500,000 acres of irrigated land which could be turned into market gardening areas producing crops which would materially assist the people in that province, and increase the standard of living there. It would also have provided enough cheap electrical power to allow them to completely electrify that province; bring industries there, and diversify their economy and materially increase the standard of living of the people of the province of Saskatchewan. What did this government do? It turned them down flat.

It seems to me that you have to be a company which is predominantly American-owned, and has defaulted on the undertaking for which you received your franchise, and then you will be granted whatever favour you ask. As long as you can have the Minister of Trade and Commerce (Mr. Howe) wrapped around your little finger and jumping through a hoop, as is the case with Mr. Clint Murchison and the rest of the people who control Trans-Canada Pipe Lines, then you can be sure that this government and the Minister of Trade and Commerce will grant whatever favours you ask. If you are merely trying to improve the standard of living for the people of Canada, you will be turned down flat.

Mr. Speaker, I call on this government to stop using the taxes of this country to bail out the shareholders of a primarily United States company which has defaulted on its undertaking, and to start using the money of the taxpayers of Canada to develop Canada by Canadians for the benefit of Canadians.

Mr. Paul Hellyer (Davenport): Mr. Speaker, this Northern Ontario Pipe Line Corporation bill—

Mr. Hodgson: All aboard; let us get on the the gravy train.

Mr. Hellyer: —started out as an economic issue—

Mr. McGregor: How do you know?

Mr. Hellyer: —and I would like for the first half of my time at least, if I am not interrupted too often, to speak about the economic aspects of it.

An hon. Member: What are you going to waste the second half on?

Mr. Hellyer: If you will contain your soul in patience for a minute or two perhaps you will see. First of all there is the need for power, which is fundamental. There have been various statements on this subject. From my own experience I can say this: Last winter almost every night during the peak load period the electricity was cut off from my hot water heater and that would not have been the case if there had been ample power.

An hon. Member: You should pay your hot water bill.

Mr. Hellyer: This point of view is also held by a friend of hon. members opposite, the premier of the province of Ontario.

An hon. Member: Ex-friend.

Mr. Hellyer: I think his opinion is one which is very accurate and well taken.

An hon. Member: You did not always think so.

Mr. Hellyer: From the point of view of revenue this line should urgently be built and it should be built now; as far as Winnipeg is concerned at least, this year.

The leader of the Social Credit party has stated in this house that every day of delay costs the gas producers of Alberta $50,000. No one in this house has challenged that figure nor that statement.

Mr. Hodgson: Nobody knows; they are only guessing.

An hon. Member: Speak for yourself.

Mr. Hellyer: If the line were delayed for two years it would cost the people of Alberta $36,500,000; but what is $36½ million to hon. members opposite?

An hon. Member: What's a million?

Mr. Dufresne: That's peanuts to the Prime Minister.

Mr. Hellyer: The *Globe and Mail* in an editorial dated May 31 stated that one reason for early completion of the line concerns costs.

Mr. Lennard: Why?

Mr. Hellyer: Every year the price tag on it goes up by another $25 million.

Mr. Lennard: Why?

[Mr. McGregor.]

Mr. Hellyer: But what is $25 million to hon. members opposite? What about the balance of payments with the United States? Members opposite have been alarmed at the deficit that we have had on current account with the United States. The gas to be exported at Emerson will bring in 50 million American dollars per year.

Mr. Fleming: You have to reckon with the federal power commission first.

Mr. Hellyer: But what is $50 million to the hon. gentlemen opposite? The gas consumed in eastern Canada would supplant the importation of United States gas and coal to the equivalent of two million tons of coal per year. This means a saving to the Canadian people of 35 million more American dollars each year.

Mr. Lennard: Where did you get your figures?

Mr. Hellyer: Any way you look at this project, the Canadian people will be in pocket to the tune of $100 million if the line is built to Winnipeg this year. To me, any government which, by making a loan of $80 million at 5 per cent, can come up with a $100 million dividend on behalf of the Canadian people is investing in a course of action which is both prudent and profitable. No one will benefit one-tenth as much from this project as the Canadian people will.

Mr. Lennard: Where did you get your figures?

Mr. Gauthier (Portneuf): He didn't get them in Wentworth.

Mr. Hellyer: What does this project mean in terms of jobs? Getting the line built will mean thousands of new jobs for Canadians. Someone may ask, what about the inflationary effect, and how do you reconcile the $80 million loan with the policy of the central bank at the present time? As the Minister of Finance has already explained, it is granted because a great many physical assets that will be used for the stage of the line which will be built this year are to come from the United States, so it will not put a further strain on our Canadian physical resources.

An hon. Member: But your pet company had the franchise five years ago.

Mr. Hellyer: On the other hand, when the later stages of the line are built, and as the line load builds up, new jobs will be created, new industries will be built up at a time when we may be very grateful for them. As the Minister of Finance said this afternoon, that if the present trend in the

United States is continued, and paralleled here in a year or two, it would be very gratuitous that this line had been put into operation without further delay. I am sure that if two years from now there were serious unemployment and the government had not acted in getting this line built, labour would condemn the government for having failed to look into the future.

Many new industries will spring up. The hon. member for Peace River (Mr. Low) mentioned this afternoon that new industries will be built in Alberta. I heard of one the other day that has not been announced. A very large plastics industry will be built up in a central Ontario town if this line is to proceed immediately. It will provide a new Canadian industry and jobs for hundreds of people.

An important by-product of this change-over from United States coal to Canadian gas will be a substantial improvement in the air pollution problem in our great cities such as Toronto. The late Rodney Adamson, the former M.P. for York West, would have been very much interested in this. I do not think he would have obstructed the bill. I think he would have supported it wholeheartedly.

There is also the aspect of defence, which has not yet been mentioned. As an alternative source of power, this gas pipe line is of vital importance. It is another protection that we would have that the industrial potential of the United States and Canada would be kept strong in case of attack. It is much easier and much faster to repair a gas pipe line, after a direct hit, than it is to refit or repair a power generating station. We had an example a few weeks ago of generators going out when the Sir Adam Beck No. 2 plant at Niagara failed during a storm, causing a failure of power supply over a large section of Ontario. Gas will be one further source of power to help keep our industries intact for our collective security.

What are the alternatives which have been mentioned? The Tories have mentioned some. First of all, there is the McMahon plan, which is supported by the member for Broadview (Mr. Hees). Under that would be exported to the United States 400 million cublic feet of gas per day, leaving insufficient for the future requirements of eastern Canada. Does the hon. member for Broadview really think he should support a policy such as that? Then there is the Gairdner plan. Is it not a coincidence that these plans should have just come forward after this matter was brought before parliament? I am told that they were working on the statistics for this gas development more than a year before this plan came before parliament, and nary a word was said by them. They only came up vaguely with the plan when they knew it was too late to come into effect. Then the third was the so-called Champion plan. I think that is the most ineffective and ludicrous of them all. At least the C.C.F. party is consistent in its policy of public ownership. That at least is a clear alternative.

Mr. Lennard: Another red herring.

Mr. Gauthier (Portneuf): You are pretty red yourself.

Mr. Hellyer: I am not convinced that public ownership would save the taxpayers of Canada a penny. On the contrary, I feel that the whole operation will be more economical under private ownership and that the increase in efficiency will provide ample return to the owners of the equity from time to time. Incidentally, I hope that when the time comes for a majority of the common shares to be offered in Canada they will be fully subscribed and held by Canadians. We as a people are notoriously reluctant to invest in this type of security. This is another opportunity for us, and I hope that we will take full advantage of it.

Finally, Mr. Speaker, by no conceivable stretch of the imagination could the project, under public ownership, proceed as far as Winnipeg this year. This proposal now before us is the only one which gives any assurance that the line will get under way now. However, even if the saving to the Canadian people were $1 billion, I would not support the bill if I thought that parliament was in fact in jeopardy.

Mr. Lennard: Tell that to Toronto.

Mr. Hellyer: We have had some evidences here this afternoon of freedom to say things which I do not think most of us would accept. The hon. member for Eglinton—

Mr. Lennard: You were bombarded on Sunday.

Mr. Hellyer: The hon. member for Eglinton said this afternoon that he wished he had more time.

Mr. McIlraith: He has spoken 30-some times already.

Mr. Hellyer: Since the debate began, much time has been spent on points of procedure.

Mr. Hodgson: Stick to the truth.

Mr. Hellyer: The Progressive Conservatives have taken 1,200 column inches in *Hansard* on procedure.

Mr. Lennard: What are you doing now?

Mr. Hellyer: The C.C.F. party has taken 650 column inches.

Mr. Fleming: Points well taken.

Mr. Lennard: What are you doing now? You had better save a little hot air right now.

Mr. Hellyer: The Liberal party has taken only 201 column inches.

Mr. Lennard: Because you were ashamed of the whole proposition. That is why.

Mr. Hellyer: This notorious waste of time could have been well employed by the hon. member for Eglinton and others, and he would then have had ample time to discuss the merits of the bill.

Mr. Fleming: With closure applied the first day?

Mr. Hellyer: He also told us this afternoon that he had a whole envelope full of amendments. If he had spent just part of the time wasted on procedure in putting his amendments before the house he would have made some little contribution to the debate.

Mr. Lennard: You would not listen. That is why.

Mr. Fleming: You applied closure at every stage.

Mr. Hellyer: The same hon. member who is interjecting now referred to the Prime Minister of Canada (Mr. St. Laurent) as putty.

Mr. Fleming: Putty in the hands of the strong man.

Mr. Hellyer: When he says this type of thing he is defaming a man whose shoe laces he is not worthy to unloosen.

Some hon. Members: Hear, hear!

Mr. Lennard: Who wrote that for you?

Mr. Bell: You are pretty good on the shoe polish.

Mr. Speaker: Order.

Mr. Lennard: Order nothing. There is no order here any more.

Mr. Hellyer: Following that he made a quotation to this effect, of all passions, lust for power is the most enduring. Very true.

Mr. Lennard: Careful, now.

Mr. Hellyer: This is the first time in a long while that parliament has had as much space in some of the newspapers as crimes of lust but perhaps, Mr. Speaker, what we have witnessed here is in fact a crime of lust, a lust for power—

Some hon. Members: Oh, oh!

[Mr. Lennard.]

Some hon. Members: Hear, hear.

Mr. Hellyer: —by people—

Mr. Fleming: Government lust for power. You said it.

Mr. Hellyer: —who would frame the government and slander the officials of this house in order to achieve their own political ends.

Mr. Lennard: You have not been here long enough to know your way around.

Mr. Hodgson: Toe the party line now.

Mr. Lennard: You have not been here long enough to know your way around. You do not know what you are talking about.

Mr. Hellyer: He went on in his characteristic fashion and said something along these lines: —

Mr. Lennard: California here we come.

Mr. Hellyer: —something in the minister's mentality, referring to the Minister of Trade and Commerce (Mr. Howe), does not harmonize with the interests of Canada.

Mr. Dufresne: He was right.

Mr. Hellyer: Mr. Speaker, the people of Canada will never be able to repay the Minister of Trade and Commerce—

Some hon. Members: Oh, oh!

Mr. Fleming: If the government will call an election they will repay him all right.

Mr. Speaker: Order.

Mr. Fleming: Bring on the election.

Mr. Hellyer: They will never be able to repay him for his contribution to the development and safety of this country in war and in peace.

An hon. Member: What's a million?

Mr. Bell: If you paid Cockfield, Brown for that speech you are a damn fool.

Mr. Lennard: California, here we come.

Mr. Hellyer: The hon. member for Saint John-Albert (Mr. Bell) may think he is the liberty bell but it is interesting to note that he, like it, is a little bit cracked.

Some hon. Members: Hear, hear!

Mr. Bell: But I always ring true, Mr. Speaker.

An hon. Member: Dumb-bell.

Mr. Hellyer: The hon. member for Eglinton went on to say that the $80 million—

An hon. Member: Where did you get that note?

Mr. Hellyer: —for this corporation will denude the Northern Ontario Pipe Line Crown Corporation and hold up construction of the northern Ontario section. I do not know whether or not my saying that this is a complete falsehood is parliamentary but, in my opinion, that is exactly what it is. On the contrary, the building of the northern Ontario section will be enhanced and speeded up by the action now proposed by the government.

Mr. Fleming: By parting with their capital?

Mr. Hellyer: Perhaps the hon. member would build the northern Ontario section first and hope some day he had some gas to put through it, but other more practical people would do the thing in the right sequence.

Mr. Lennard: We are getting the gas right now.

An hon. Member: Right over there.

Mr. Hellyer: Then, Mr. Speaker, the same hon. member carried on and said, "Where is the rule of law?" Mr. Speaker, how well he might ask this question of himself.

Mr. Fleming: And the Liberal party.

Mr. Hellyer: This is what the *Post-Express* has to say about the hon. member, and the *Post-Express* describes itself as an independent newspaper. It is a central Ontario newspaper published in the constituency of the chief whip of the Progressive Conservative party.

Mr. Brown (Essex West): Napanee.

Mr. Lennard: What is the name of the paper?

Mr. Hellyer: In an editorial in the issue of May 31 it has this to say:

> Serious undermining of the rules of parliamentary procedure, such as the disgraceful conduct of Donald Fleming last week—

Mr. Fleming: Is this in order?

Mr. Hellyer: I continue:

> —coupled with the above-mentioned lack of support from Ontario, spells doom for the Progressive Conservative party federally.

Mr. Nesbitt: If you believe it, why do you not call an election?

Mr. Lennard: What is the name of that paper?

Mr. Hellyer: The *Post-Express.*

Mr. Lennard: From where?

Mr. Hellyer: The editorial continues:

> Closure is a very common form of procedure in Westminster. It is not even unique in Canada. It is simply an expedient to get work done. But expulsion of a member of parliament for refusing to recognize the chair is a very different matter. Historically, expulsion was the means used to handle recalcitrant schoolboys who refused to abide by the common rules of conduct. And expulsion was always a disgrace. Mr. Fleming's conduct after expulsion was much like that of the juvenile delinquent of today.

Some hon. Members: Hear, hear.

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

Mr. Lennard: On a point of order, I should like to ask the hon. member where the *Post-Express* is published.

Mr. Hellyer: Napanee, Ontario. It is one of the strongholds of Toryism in Ontario.

Mr. Lennard: Why did you not say that before?

Mr. Speaker: Would the hon. member for Winnipeg—

Mr. Hansell: On a question of privilege, if I may, the other day when I was speaking I referred to the incident whereby we expelled the hon. member for Eglinton, and I was informed by the chairman that it was a closed incident. I pointed out the hon. member who has just spoken and to you, sir, that evidently the incident is not closed. I wish it were, and I wish that the rule might be adhered to.

Mr. Speaker: I agree with the hon. member for Macleod that matters of that type are not any more to be referred to. May I ask hon. members to do all they can in order to proceed in an orderly fashion to have a debate in which there perhaps may not be as many interruptions as there have been and also to observe the rule of relevancy. I understand that the hon. member for York West (Mr. Hamilton) wishes to raise a point of privilege.

Mr. Hamilton (York West): Yes, Mr. Speaker; I wish to raise a question of privilege. I should not like to have left on *Hansard* a reflection on the former member for York West. The late Rodney Adamson was too patriotic a Canadian ever to have supported legislation of this kind.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, the hon. member for Davenport (Mr. Hellyer) was supposed to have accompanied another two or three members of this house to a meeting in Toronto last Saturday but unfortunately he was unable to get a reservation. Having listened to the speech he has just made, I congratulate him; for had he obtained a reservation, had he gone to Toronto and had he made the speech he has just given he would have been eviscerated. I am not sure that is the right word. Many words were bandied about at that meeting, and I claim no credit or guilt for this. The hon. member for Davenport was called something that was very

unparliamentary. He was called a gutless wonder. I have no proof of that whatsoever. I have no knowledge of his intestinal circumstances. All I know is that he was fortunate in not having been there. However, Mr. Speaker, I wish to cross swords with foemen more worthy of my steel, namely the Minister of Trade and Commerce (Mr. Howe) and the leader of the government.

An hon. Member: Don't fall and break your neck.

Mr. Stewart (Winnipeg North): I have forgotten the hon. gentleman's constituency, oh yes, Iles-de-la-Madeleine—but I have heard him interrupt on many occasions in this house. The impression he gave me is that he is merely tilting at windmills; not that I suggest there is any comparison between him and Don Quixote. That is not so. I have regard for Don Quixote. But this hon. gentleman, as usual, mounts his charger and dashes madly to the fray, quite indistinguishable from the rump on which he is perched.

Mr. Cannon: That is a hot one.

Mr. Stewart (Winnipeg North): Now I am going to deal with the Minister of Trade and Commerce. The other night he said this as reported at page 4632 of *Hansard:*

> It has been represented that this will be a great gold mine for the owners of the shares.

I said so and I proved that on the basis of the figures which were submitted to the minister by Trans-Canada Pipe Lines Limited. I said then—and the minister has not denied it—that by 1962, on the basis of the company's own projection, certain shareholders will be getting about 15 per cent per annum in dividends, some would be getting 20 per cent and others would be getting 45 per cent. I do not know what the right hon. gentleman's definition of a gold mine is, but I think there are very few gold mines in this country which are going to pay dividends such as those which Trans-Canada Pipe Lines will pay. Then he went on to make this admission. He said that an investment in this company will be a fair investment. If he thinks this is going to be a fair investment, why should not private enterprise undertake it? If the right hon. gentleman thinks this will be a fair investment, why does he have to come to the parliament of Canada and ask the taxpayers of Canada to put up the money to finance this company; and not only to lend them the money with which to finance it but in effect to subsidize them through rates of interest? If it is a fair investment, surely free enterprise can handle it. This is what the minister says is a fair investment. Yet he comes and asks money from parliament for the benefit of this company. As reported at page 4632 of *Hansard* he said this:

> I think it is most unfortunate when the hon. member for Winnipeg North starts counting up the millions of dollars that will go to the owners of the common shares.

What is unfortunate about it? Is it unfortunate that these figures are being placed on the record? Is it unfortunate that in the opinion of many people this company will be a gold mine and will be able to pay these dividends of which I have spoken? Surely there is nothing unfortunate in that statement. What the minister should have said was, "I think it is most revealing when the hon. member for Winnipeg North is able to do this". Many of these facts and figures have not come from the government. We have had to put them on the record.

I think time will show that this pipe line will be successful, and to that I have no objection. I think it will be extraordinarily successful. But I object to the taxpayers of Canada having to put up this money when private enterprise itself ought to be in a position to do it.

Then the minister goes on to tell us about the capitalization again, of the shares which will be issued at $8 each; some shares which will be issued at $8 plus interest back to the time of the inception of the company; some shares which will be issued to the distributors at $9; and still other shares which will be issued to the public at $10, of which only $9 will go into the treasury of the company, $1 being taken off for underwriter's fees or some other expense of which I know nothing. But there was still another share I mentioned. I refer to that share which was attached to the subordinated debentures, whereby those who bought debentures for $50 will be able to buy a share for $3.32. I said in the past that if this method of capitalization goes through, not many of the people of Canada are going to get a chance to buy these subordinated debentures. Then the minister went on to say this:

> This idea that the insiders are making a killing is absolutely wrong.

What is the 20 per cent per annum but a killing? And it would be more than 20 per cent because as time goes on and the bonds are redeemed there will be less interest to be paid. Therefore there will be more money available for distribution as dividends. If this is as good a financial proposition as I believe it to be, as the minister believes it to be and as the Minister of Finance (Mr. Harris) believes it to be, why can the sponsors not finance this thing? Why have you to come to Canada and ask the people of Canada to finance it? Why do you go almost to the

extent of total financing and yet say, "This must be given back to free enterprise"? Why not go the other 5 per cent and say, "This will be owned by the people of Canada"?

It is profitable in more senses than we are told. It is going to be profitable on the basis of the company's own projection. Let us take also the projection of the firm of chartered accountants, namely Clarkson, Gordon and Company who made a report to the treasurer of Ontario. They said, as regards public ownership alone, that the income projection shows the estimated results from the government-owned line in one set of circumstances that on the basis of public ownership there would be $10 million available after all interest had been paid and after depreciation had been paid to go into the treasury of Canada. When one takes into consideration the other 200 million cubic feet per year which ultimately will be exported at Emerson, there is going to accrue to the company a profit of $8 million a year through carrying that gas. In other words, there will be a minimum of $18 million a year available to go into the treasury of Canada.

Then the minister says that this legislation is not improvident. I think it is truly and completely improvident when a monopoly is allowed to make this sort of profit in Canada, a monopoly which is to be financed by the people of Canada but which could be owned by the people were there any desire that they should do so. The minister went on to say this:

> Many times the men who have been working at this problem,—

And this is heartbreaking; this rends the heart strings.

> —working their hearts out trying to get it moving,—

Let us see who are these people who are working their hearts out. Who are these people who have come to see the minister with their hearts working overtime? Canadian Gulf; Hudson Bay Oil; Tennessee Gas Transmission Company; Canadian Delhi Oil; International Utilities Corporation—this group which owns 83 per cent of Trans-Canada Pipe Lines. Have they been working their hearts out? What they have been doing is working their heads to the bone. The following quotation from the minister is interesting because the minister goes on to say this—referring to these men, these great financiers, these tycoons:

> —have said to me, "If we could get $8 back and have a chance to buy the same shares at $9 or $10 when the line is in operation, it would be the greatest transaction we have ever made".

In other words, what these men did was to go to the minister and say, "If you will give us $8 for our shares today, next year we will give you $10 for them". I suppose that could be called financial wizardry but I think that is pure, sheer fatheadedness. If the men who are running this corporation are such utter fatheads as to make such a proposition as this, then I do not think we can trust them with the running of this corporation. The minister, in his rebuttal, did not make a very effective answer to the arguments we have advanced. We have said, and I think rightly, that this whole proposition should be under public ownership. We have shown from the figures of the company itself and we have given from the figures of Clarkson, Gordon that this company would be very profitable, so profitable it should be financed by public enterprise, for since it is a monopoly those profits should go to the treasury of the country.

There is one more particular matter I want to talk about. We have been told that we were going to stop this legislation in the house. It is true. The hon. member for Rosetown-Biggar (Mr. Coldwell) has said, as have others, that it was our intention within the rules of the house to use every device, every stratagem, whereby we could stop this legislation. We had the right to do it, just as the government had the right to stop us or thwart us if they could. We used every manoeuvre we knew and we outmanoeuvred and outfought the government. The government was stopped cold until that unhappy day last week when the Speaker of this House of Commons came before us and asked a brute majority to support a proposition which he submitted to us. That was a prostitution of the rules of this parliament, but the majority carried it. In defence of what happened afterwards, we have the spectacle of this knight in shining armour, the Minister of Finance (Mr. Harris), who said last night when dealing with this same question as recorded at page 4683 of *Hansard* for June 4, 1956:

> Both the Leader of the Opposition and the Leader of the C.C.F. this afternoon said that all of us ought to regret what has happened particularly what happened on Friday.

Then the Minister of Finance goes on:

> I am going to agree with both of them. However, I hope that in expressing agreement in that sense I am not to be taken as having accepted any responsibility for it.

Pontius Pilate come to judgment. The Minister of Finance takes water and washes his hands. In the meanwhile, what is the Prime Minister of Canada doing? While this whole unhappy scene was being enacted he sat there quiescent and impotent, the leader of parliament, who could not restore order in this house. On the other hand, to protect

the petty prestige of this government, he sacrificed the Speaker of this house.

Mr. Richardson: May I ask the hon. gentleman a question?

Mr. Stewart (Winnipeg North): You certainly can.

Mr. Richardson: Where was the hon. gentleman at that time? Was he in his seat?

Mr. Stewart (Winnipeg North): I was protesting on the floor of the House of Commons at this iniquity; that is where I was. I am prepared to account for that to my constituents, and I know what is going to happen when I meet my constituents.

Mr. Pickersgill: More gas.

Mr. Stewart (Winnipeg North): What the Prime Minister did was to co-operate in the destruction of the Speaker.

Mr. Speaker: Order. May I ask hon. members to debate the measure that is now before us.

Mr. Stewart (Winnipeg North): Mr. Speaker, I would be very happy to do so but I call you to witness that the Minister of Finance introduced this subject into this debate last night.

Mr. Speaker: I will go along with the hon. member that too much extraneous matter has been injected into this debate, but there are only a few hours left before the debate is concluded—

An hon. Member: Why?

An hon. Member: Whose fault is that?

Mr. Speaker: I am not blaming anyone at the moment; I am merely asking hon. members to co-operate with the Chair if they feel that, for the purpose of making their arguments pro or con on this bill, they can avoid personalities and avoid introducing into this debate matters which are completely extraneous to it.

Mr. Stewart (Winnipeg North): Mr. Speaker, with all deference, you are about three weeks too late in making that appeal to this house.

Mr. Speaker: I merely asked the hon. member if he felt that he could accede to my request. If he feels he cannot, of course, because of the precedents that have been created in this debate I would allow him to go along the way he wishes.

Mr. Stewart (Winnipeg North): Let me make my position clear, and I hope to have a chance to say this in the adjourned debate. I think you have no moral authority to be in that chair but I respect the Chair and so I am going to do as you ask.

[Mr. Stewart (Winnipeg North).]

Mr. J. A. Smith (Battle River-Camrose): In rising to take part in the last stage of the discussion on this bill to establish a pipe line from Alberta to eastern Canada, I do so with some humility. I am one of the younger members in this house, Mr. Speaker, and a long time before I became a member of parliament, long before I left school, I was taught to appreciate and give consideration and respect to authority, particularly to the established parliamentary rights that have been handed down to us in Canada throughout the years. During the course of this particular speech I will not attempt to point my finger at any one particular member or to bring up matters which I think would be well forgotten. I will, however, attempt to put on the record a few facts on behalf of the party which I am privileged to represent.

It has already been pointed out that we in Alberta have had the privilege of enjoying the use of gas as a fuel for a great number of years. This is true, particularly of the southern part of the province. However, in the part of the province which I am fortunate enough to represent, the development of gas and oil reserves has been a more recent thing. Just a few years ago it was our privilege in the small town in which I live to have gas introduced. I could speak at length on such gas fields as the Turner valley field, the Medicine Hat field, to which I believe the hon. member for Rosetown-Biggar (Mr. Coldwell) referred last night when he spoke of the gas fields as being over 40 years old, Kinsella, Viking, the Lloydminster, Vermilion and other fields. So far as I am concerned personally I do know that the development of gas and petroleum resources in Alberta has meant a great deal to the industrial development of that province.

On the other hand, I want to point out that the use of this fuel has meant a great deal to the mothers of families throughout our province. I am looking forward to the day when the mothers of families from the Alberta boundary to the heart of Quebec will be able to use gas to cook their meals and heat their houses. In the early days of gas exploration in Alberta, particularly after Mr. Manning took over, there was established what was called the gas export policy of that province. He insisted that so far as the use of gas was concerned, the first consideration in Alberta should be domestic use; the second concern should be the use for the development of Alberta industries; and third, the export of gas out of the province.

It has been established time and time again in this house during the course of the debate that we do have sufficient gas to export and that is why we in this group are supporting this measure. The question of gas export from

Alberta was one which was bitterly fought in our provincial legislature, and it was a major issue in one of our provincial elections. However, that is past history and I am very happy that all Alberta members, with the exception of one, have seen fit to set aside politics and support this measure which means so much, not only to the province of Alberta but to Saskatchewan, Ontario and Quebec. As far as that is concerned, it means much to Canada as a whole, as the use of this fuel will further the industrial development of our great country.

We are supporting this particular bill, Mr. Speaker, because we see in it the only possible way by which our surplus gas can be disposed of and the only way in which the development of the great petroleum resources of Alberta will continue. For some years we have recognized the need for the construction of this line. Our premier made this statement in 1953, and I am reading now from an editorial in the *Globe and Mail* of May 31, 1956:

> Alberta's failure to get markets for this huge surplus is stifling exploration and investment in its whole gas and oil industry. As long ago as December, 1953, Premier Manning declared:
>
> "It is important to the continued development of the gas and oil resources of western Canada that an adequate market for gas surplus to local requirements be established at the earliest possible date."

This particular editorial goes on to point out:

> Ontario's need to buy gas was stated by Premier Frost just last week. By 1960, Mr. Frost predicted, all of this province's hydro electric resources would be in use, and some other form of energy besides coal and oil would be required to supplement them.

We happen to have the fuel that is needed, or will be needed, in Ontario, and we shall be very pleased to bring it down. It has been pointed out, Mr. Speaker, that we in this group have been speechless during the course of this debate. That is not a true statement. We have made comments; we have taken part in every phase of the development of this bill from the resolution stage to the present time, but we have not taken the position, as some have, that we want to hold up the final passage of the bill. We made our point clear and concise.

In that connection I should like to quote from an editorial in the Ottawa *Citizen* of May 9, as follows:

> The shortest speech from the three opposition groups in the commons after Mr. Howe's announcement of a new plan to hasten construction of the Alberta-to-Quebec gas pipe line was that of the Social Credit spokesman, Mr. Quelch. In a single sentence, Mr. Quelch said his group was happy that a start would be made in 1956 and that further comment would be reserved until the legislation came down.

Now, Mr. Speaker, I do not see anything wrong, even now, with the speech of the hon. member for Acadia. It was short; it was the truth and it was not time-wasting, nor was it embellished with time-wasting fluff. The editorial goes on to point out that we of Alberta will enjoy the monetary returns from the sale of this gas. That is something that is true. We will enjoy it. The Alberta government and the people of Alberta will receive 12½ cents out of every dollar's worth of fuel that enters the pipe line at the eastern boundary of Alberta. But are we the only ones who are to gain from it? Surely, the people of Saskatchewan, surely the people of Manitoba, of northern Ontario, of central Ontario and of Quebec will gain the right to use the fuel that is there.

By-products have been mentioned time and time again in the course of this debate. We shall have some benefit from those by-products that are taken out of this gas as it leaves Alberta. During the past season we have passed a bill authorizing the construction of a hydrocarbon pipe line which will permit the flow of the materials taken out of the gas to be sent to the provinces of Canada, and chemical industries will likely spring up in the other provinces as well. I maintain that this gas is needed. Its need has already been pointed out in the town of Sudbury for the great nickel mines, and so on. This is a Canadian project as far as I am concerned, Mr. Speaker, and one that is worthy of support.

Our position has been put on the record, Mr. Speaker, time and time again during the course of this debate.

An hon. Member: You are in bed with the Grits.

Mr. Smith (Battle River-Camrose): I have never interrupted anybody since I came to this house. I always felt that I would be highly discourteous if I were to do so, and I should like to have the same courtesy extended to me that I have extended to others during the short time that I have been here.

Much has been said about United States control of the so-called trans-Canada gas pipe line. We have been told that 83 per cent of the shares of this company will be in the hands of United States buccaneers, and so on. I am not prepared to accept these statements as being exactly the truth. However, as a group we have asked that 51 per cent of the shares of Trans-Canada be offered to the people of Canada. We have been told that better than 51 per cent, that over 60 per cent, will be offered to the people of Canada. We also asked that the control of the management of this company remain as it is now, for all time to come, in the hands

of Canadians. It is a Canadian company, as I see it, Mr. Speaker, and it is guaranteed that it will remain so. We have heard a great cry about United States investment and United States money coming into Canada from my friends to the immediate right, and I am not singling out any particular one of them. However, Mr. Speaker, I do not feel that the members of the C.C.F. group are in harmony with their provincial government in Saskatchewan, because no later than June 1, 1956, the following report appeared in the Ottawa *Citizen*:

$60 Million Pulp Mill in Saskatchewan

That is a wonderful project and I agree with my friends from Saskatchewan that it is going to make Saskatchewan a better place in which to live; but who owns that company? Sixty per cent of the money that is to be put up for this company will come from where? Not from the people of Saskatchewan—

Mr. Knight: Not from the Canadian taxpayer.

Mr. Smith (Battle River-Camrose): Not from the people of Canada, but 60 per cent of it will be United States money. Where is the produce from this pulp mill to go to? It is all committed for sale to the United States of America. Certainly, that is not the case in so far as the trans-Canada gas pipe line is concerned because safeguards have been taken to see that Alberta, Manitoba, Saskatchewan, Ontario and the rest of Canada are safeguarded.

As was pointed out this afternoon, we do have in the province of Alberta what is known as the natural resources and development conservation board, which was established several years ago to make sure that the development of Alberta's natural resources was carefully handled. I believe that at one time the minister of natural resources of the province of Saskatchewan spent some time in our capital city of Edmonton finding out what type of plan we used to protect the development of our resources in Alberta and whether he could institute a similar plan which will eventually work in the province of Saskatchewan.

I want you to remember, in summarizing this point, before comments get too heavy over here, that 40 per cent of the interest in this pulp mill will be left in the hands of Canadians if they are ready to take it up. Sixty per cent of it will be United States-controlled investment.

Last evening I noticed that queer things happened in this house. I thought I had been as startled as it was possible for one individual to be during the course of this debate.

[Mr. Smith (Battle River-Camrose).]

However, when I heard the Leader of the Progressive Conservatives move an amendment to the present bill last night, part of which reads—anyway, he made an amendment which suggested that if in the final analysis everything else fails nationalization of this line be the case. On May 22 we had a vote on an amendment to the amendment which had been sponsored by my good friends to the right, the C.C.F.'ers. At this time the Progressive Conservatives had occasion to vote for practically the same thing they brought in last May. What happened? What did the hon. member for Eglinton do? He voted against it. What did the Leader of the Opposition do? He voted against it?

Mr. Fleming: A different thing altogether.

Mr. Smith (Battle River-Camrose): I am sorry, the hon. member for Eglington was away at that time and I must apologize for that statement. However, he did not vote in favour of the amendment to the amendment. All the Conservative members who were in the house at that time either abstained from voting or voted against the amendment to the amendment.

Now, Mr. Speaker, it has been said this afternoon that we have something new in this house today. What is it? We have Tory socialism. That is quite a term. Before yesterday we had what were known as Progressive Conservatives and now we have Tory socialism. Let us not forget it.

My time has just about expired, Mr. Speaker. In closing I would like to express my deep regret that such an unfortunate page in the history of the parliament of Canada has had to be printed as the result of the introduction of a bill which, in my opinion, means so much continued development for our great country.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, I rise to speak very briefly in this debate and simply for the purpose of making as strong a protest as I can on behalf of the riding which I represent, the riding of Hastings-Frontenac. My protest is against the dictatorial manner in the matter of the procedure adopted by this government in ramming the pipe line bill down the throats of the Canadian people I also protest against the actions of this government in their total disregard for the rules of this house and their flagrant abuse of them.

It is difficult to understand the reasoning and the thinking of the Prime Minister (Mr. St. Laurent), a man who has had a very distinguished career as a counsel at the bar. The Minister of Finance (Mr. Harris) is also a member of the bar, as are many other members of the cabinet. All of these are men

who have had years of legal training and experience and they should at least be able to understand and appreciate what we refer to as the rule of law. They should appreciate the value of the rules of this house and they should understand what properly constituted authority means. Above all, they should realize and appreciate the responsibilities of the private members of this house and the rights and privileges of minorities.

I would like to ask what the Prime Minister or any member of his cabinet who is a member of the bar would say if any court in the Dominion of Canada were to proceed to try a case during the course of which the presiding judge said he would hear only one side of the case or if he were to refuse to hear one of the counsel or disallow the full production and examination of all the facts relating to the case. Why, every single member of the bar would protest in a most vigorous and violent manner. They would say it is contrary to law, contrary to what we describe as British justice, contrary to the rights of individuals, and they would be quite within their rights in disapproving and condemning any such procedure.

In this parliament, which we regard as the supreme court of all the courts in the Dominion of Canada, we have seen the Prime Minister, the Minister of Trade and Commerce (Mr. Howe), the Minister of Finance and all those who support this government gag, stifle and prevent the free elected members of this house from presenting the views and opinions of the people they represent. They have used the gag to prevent full disclosure of all the facts and the production of all the evidence in relation to this most iniquitous bill, which is simply a sell-out of one of our great national heritages to United States interests. All I can say, Mr. Speaker, is that it is a farce, a tragedy and a mockery of parliament. It is a travesty of justice and the rights and privileges of individual members of parliament. But the day will come, Mr. Speaker, when the full truth and the facts now behind the scenes will be revealed to the Canadian people.

The hon. member who recently spoke on behalf of the C.C.F. party referred to certain statements made in this house yesterday by the Minister of Finance, where at the top of page 4684 of *Hansard* the minister expressed the opinion that he was not accepting any responsibility for what had happened in this house on Thursday and Friday of last week. I say the Prime Minister and his government must accept full responsibility for what has happened, because it was the Prime Minister, his cabinet and the members who support him who brought in the closure measure which gagged and stifled parliament. The Prime Minister and his cabinet were the ones who agreed upon and decided what procedure would be used in forcing this bill through the house. Any member of the cabinet with a little foresight could easily have seen what would likely happen.

People have said that it could never happen here but these same people have seen it happen here. They have seen the parliament of Canada reduced to the status of a parliament in a country under a dictator. We in Canada are inclined to scoff at what goes on in the so-called parliament that meets in the Kremlin where once or twice a year the representatives of the 16 Soviet republics meet for a two-day session and simply vote for and pass everything that is placed before them.

There are many members of this house who have served in the two world wars. Many other hon. members in this house have sons and daughters who served in one of these wars. Concerning the first war there was a slogan to the effect that the first war was to make the world safe for democracy. To me, if democracy means anything, it certainly means a free parliament. The second war was to defeat Hitler and Mussolini and all the things for which they stood and the methods used by those dictators to achieve power. It is difficult to believe that it has actually happened here, for is parliament not the very cornerstone of democracy? Is our parliament not the custodian of all the cherished hopes and ambitions of free Canadian people? Yet these things which mean so much to the Canadian people have been ruthlessly brushed aside in this house. The rights and privileges of individual members of parliament, along with the rules of this house, have been thrown into discard. This whole tragic farce on the part of this government is simply for the purpose of handing over to United States interests one of the great natural resources of this country, which belong not only to this generation but to many Canadian generations yet to come.

Mr. Gauthier (Portneuf): Change the record.

Mr. White (Hastings-Frontenac): He says, "Change the record." I have observed many times during this debate many hon. members on the other side of the house have exhibited mocking, sneering laughter when anybody on this side has stood up and spoken on the rights and privileges of members of parliament. I would like simply to tell whoever made the interruption that in the province of Ontario I have the honour to represent in this house the very large riding of Hastings-Peterborough—no, Hastings-Frontenac.

Northern Ontario Pipe Line Corporation

An hon. Member: You do not know your own riding.

Mr. Knowles: That is a reminder of redistribution.

Mr. White (Hastings-Frontenac): A redistribution that this government shoved down my throat to cut out a Conservative member. My very large riding of Hastings-Frontenac was settled many years ago by United Empire Loyalists, and their descendants are still there today, the very finest type of citizens in the Dominion of Canada. The descendants of these United Empire Loyalists today have the same respect for the Crown, the flag, British institutions and properly constituted authority as their forefathers had. I say to you, Mr. Speaker, that the descendants of these United Empire Loyalists in my riding will never condone or sanction—

Mr. Pickersgill: Attacks on the Speaker.

Mr. White (Hastings-Frontenac): —the actions of this government and what they have done to our free parliament. Has Mr. Jumping Jack something to say? Then stop speaking.

An hon. Member: Take care of your second-class babies.

Mr. White (Hastings-Frontenac): Other hon. members in this debate have already traced the growth of the free parliament in the commonwealth, what a free parliament stands for and what the rights and privileges of individual members of parliament are. I shall not repeat them. But apparently parliament means very little to the Prime Minister and the Minister of Trade and Commerce. In my opinion, no one in this house tonight will ever live to see the day when the prestige of the parliament of Canada will be restored to the position it held before black Friday, June 1, 1956.

Some hon. Members: Oh, oh! Hear, hear.

Mr. White (Hastings-Frontenac): Something has gone, and it has gone forever. Call it an intangible, if you wish, but that intangible is something that hundreds of thousands of young Canadians fought to preserve, and this government has thrown it away. No magic wand can bring back what has been taken away. Centuries of tradition have vanished overnight, and what has been accomplished? We now see that the will of the Minister of Trade and Commerce will prevail.

An hon. Member: How about the majority?

Mr. White (Hastings-Frontenac): As other hon. members have suggested, only a new parliament can face the future in this country. The people of Canada must decide the issue, but the Prime Minister made it fairly plain yesterday that he would not have an early election. I would like to draw the Prime Minister's attention to an editorial that appeared yesterday in the Ottawa *Journal* and a second editorial which appears in today's Ottawa *Journal*, and I am going to read part of it. The heading of the editorial is "Parliament Should Dissolve". It reads as follows:

> Parliament should be dissolved, and the sooner the better.
>
> For if any one fact emerged from last week's pitiful scenes in the House of Commons it is that this parliament has come to an inglorious end.
>
> It can no longer serve Canada usefully. For it no longer represents the Canadian spirit, but has become an alien thing, inviting not respect but distrust and contempt. To continue such a parliament in being, to drag out its life in miserable futility, would be a sin against Canada . . .
>
> Aware of these things, as he must be, Mr. St. Laurent will be incurring grave responsibility, taking heavy risk against public good if he insists that this parliament stripped now of moral authority and national respect be dragged on for another year.

If the Prime Minister is not going to have an election, if he is not going to place this issue before the people of Canada, then it is just another example of political expediency on behalf of the Liberal party.

This morning in this chamber many hon. members had the opportunity of hearing the very fine address by the distinguished President of Indonesia. Everyone who heard him speak must have been impressed with his words as he described the struggle in his country for independence and the pride that he expressed when he told us of the first free election of a free parliament in Indonesia, but I say it is fortunate that this statesman was not here in this chamber on black Friday to witness the execution of the Canadian parliament by the guillotine.

An hon. Member: By the Tory party.

Mr. A. J. P. Cameron (High Park): As all hon. members know, I do not often participate in debates. I am very proud, both as a Canadian and as an elected representative, to take part in this debate this evening. I hope the remarks I will make will be worthy of the momentous decision that has to be made in the interests of Canada. Before dealing with the subject of my remarks, in which I wish to prove that this is a beneficial project for the people of Canada, I wish to express my feeling of the atmosphere in which this debate has been conducted and to express my regrets in that connection.

I have the greatest possible respect for the hon. member for Eglinton (Mr. Fleming). I respect him as a man; I respect him as a lawyer; I respect him as a leader in Y.M.C.A. activities; I respect him as a parliamentarian;

but, when he seems to arrogate to himself a superior moral tone, I find that leaves in my mouth a great feeling of distaste. I have listened with considerable regret to the remarks he has made in this house, particularly in reference to my honoured leader and to the Minister of Trade and Commerce (Mr. Howe). The cruel and caustic remarks of the hon. member for Eglinton are something that I am sure he will live to regret. The mean and unworthy insinuations he has made with respect to the Minister of Trade and Commerce (Mr. Howe) are entirely unworthy of the hon. member for Eglinton. They are something that I am sure will recoil upon his head. Weak indeed must be the argument, sir, when he has to resort to such tactics. The hon. member for Prince Albert (Mr. Diefenbaker) outside of the house was kind enough to tell me that he got a kick out of me. When I asked him why, he said: "It is because you are never nasty." I should like to return the compliment to the hon. member for Prince Albert. I respect his abilities as a lawyer, as a parliamentarian, but I think he is very much miscast in the role he is called upon to play. He should be treading the boards in New York and not trying to lead the Canadian public down this blind alley which his party is supporting.

There are also some actors on the other side, the juvenile actor for Broadview whose comments I have heard tonight and which are not worthy of reply. Then we have the celebrated team constituted by the hon. member for Kamloops (Mr. Fulton) and the hon. member for Winnipeg North Centre (Mr. Knowles). I am sure that upon the dissolution of that firm, which I can see is coming very shortly, they should offer their talents to some of the Canadian rugby coaches because I am sure they would make a place as two of the greatest blockers in Canadian football.

Some hon. Members: Hear, hear!

Mr. Nesbitt: You had better fire Cockfield, Brown.

Mr. Cameron (High Park): I am also glad to note that the Senate has not seen fit to remove divorce from the parliament of Canada because when the divorce takes place between the C.C.F. party and the Progressive Conservative party we are going to have a spectacle that will be well worth seeing. I wonder whether the hon. member for Winnipeg North Centre remembers the time that his party defeated the leader of the Conservative party. I wonder whether hon. members of the Conservative party remember when the members of the C.C.F. party defeated their present leader in this house in the riding of High Park, which I have the honour to represent. When the divorce proceedings are instituted in this high court of parliament it will be a show in which all the people of Canada will take a great deal of interest.

An hon. Member: Who wrote that?

Mr. Nowlan: Cockfield, Brown.

Mr. Bell: You had better fire Cockfield, Brown.

Mr. Cameron (High Park): I should also like to say something about the hon. member for Winnipeg North (Mr. Stewart) who made some remarks about the hon. member for Davenport (Mr. Hellyer) not being present at a meeting which took place in Toronto on Saturday. There is a very good reason for that. The hon. member for Davenport was here until the last vote was cast early Saturday morning.

Mr. Stewart (Winnipeg North): So was I.

Mr. Cameron (High Park): That may be perfectly true, as the hon. member for Winnipeg North says, but undoubtedly, knowing the nature of the meeting in Toronto, organized as it was by the C.C.F. party—

Mr. Stewart (Winnipeg North): No, it was not.

Mr. Cameron (High Park): —I am sure that the C.C.F. party made certain that they would have their representative there, come low tide or high water.

Mr. Fleming: It was not organized by the C.C.F. party.

Mr. Cameron (High Park): I resent the remark that the Liberals from the Toronto area were afraid to be there. We are prepared to face our opposition at any time and look them squarely in the eye.

Mr. Stewart (Winnipeg North): Then dissolve the house.

Mr. Cameron (High Park): We have nothing to be ashamed of, and we are proud of the record of our party in this particular debate.

Some hon. Members: Hear, hear!

Mr. Dufresne: We are on the pipe line debate. Did you know that?

Mr. Cameron (High Park): Provision of financial assistance by the federal government to Trans-Canada Pipe Lines to assure the building of the western section of the line this year is a good business proposition. This country stands to gain whether Trans-Canada can repay the loan by April 2 of next year or whether the pipe line company defaults.

Mr. Dufresne: Pick it up.

Mr. Cameron (High Park): I will be very glad to accept the hon. member's suggestion. The agreement executed between the Canadian government and Trans-Canada on May 8 last requires the repayment of the loans in full plus interest at the rate of 5 per cent per annum, a rate which, in itself, provides a profit for the people of Canada.

Should the pipe line company be in default, the government can foreclose and assume full ownership of this essential utility at a rate equal to only 90 cents on the dollar of its actual cost. This factor, coupled with the recognized fact that construction costs of the pipe line are increasing at the rate of several million dollars each year, and the *Globe and Mail* says $24 million each year, makes extraordinary financing of the line this year by the government not only prudent but sound economically.

Trans-Canada Pipe Lines Limited stands to lose several millions of dollars in cold hard cash and years of intensive unrewarded effort to get the project started. This government and the people of Canada stand to lose nothing; rather, the profit is all on their side.

As at present constituted, the majority interest in Trans-Canada is held by United States interests. In this respect, it fits the ownership pattern of the over-all Canadian oil and gas industry, an industry which we must all sincerely appreciate could not have made its tremendous contribution to our booming economy without the venture capital which has poured into our country from the United States and Europe.

There have been numerous opportunities and invitations for additional Canadian participation in Trans-Canada. This has been a costly venture to support in the past six years. Important is the appreciation that this has been a purely speculative venture. There have been many periods in Trans-Canada's history when the sponsors have had to meet bills running between $200,000 and $400,000 per month. This has represented real venture capital even for the substantial interests behind Trans-Canada. There have been times when the continual demand for financial support has been trying on the sponsors. On such occasions efforts have been made to broaden the base of support through inviting the participation of other Canadian interests. In these efforts Trans-Canada was not successful.

Too, it must be recognized that the ownership pattern of Trans-Canada will change materially when the company is publicly financed. Canadians will be afforded the opportunity to purchase at least 51 per cent of the common stock outstanding at the time of public financing. The present sponsors, consequently, must make more than half of their present controlling position available to Canadians. Whether Canadians avail themselves of this offering is, of course, something over which neither the government nor Trans-Canada has any control but the opportunity will certainly be presented.

Beyond financial control, whatever its final result, is the vital factor that the pipe line will remain forever under the complete jurisdiction of Canadian law. Not a cubic foot of gas can be exported to the United States without a permit from the Canadian government. By the terms of the export licence itself, prices to United States customers cannot be more advantageous to the buyer than those offered Canadian customers. The national interest of Canada is and will be completely protected.

Mr. Mitchell (London): Page 6.

Mr. Cameron (High Park): It is just page 3. It is utterly ridiculous for opposition members to contend there has been inexcusable delay in making a start on the Trans-Canada project. Trans-Canada Pipe Lines Limited, as presently constituted, is little more than two years old. It was in January, 1954, that the original Trans-Canada company amalgamated with Western Pipe Lines Limited to present an entirely new natural gas transmission project.

It is true that the original Trans-Canada company was incorporated by this parliament in 1951. But it is equally true, and of public record, that the original Trans-Canada company failed in its objective, its proposal to build a pipe line across Canada from Alberta to Quebec which would be entirely dependent on Canadian sales. The original Trans-Canada company spent millions of dollars on gas exploration, extensive market studies and detailed engineering in a sincere effort to reach its goal but found that markets were not immediately available in Canada in sufficient volume to meet the stringent requirements of pipe line financing. Too, the government of Alberta refused to grant the original Trans-Canada company an export licence on the conviction that marketing restricted to Canada could not provide a fair return to Alberta producers.

The Alberta government was firm in its insistence that export to a substantial and readily accessible United States market be at least an integral part of any plan to take surplus gas out of that province. A new Trans-Canada company emerged from this deadlock in January, 1954, a company whose objective represented a compromise between the declared policies of the government of Canada and the government of Alberta.

From the outset, export of Canadian gas to the United States was part and parcel of the new undertaking.

Now we hear much idle talk of delays and failures on the part of Trans-Canada. What are the facts? The facts are that the new Trans-Canada company has made tremendous progress. It must not be forgotten this is to be the biggest pipe line in the world; its capital requirements far exceed those of the St. Lawrence seaway development. Its building will result in a billion dollars being spent in Canada on natural gas facilities within the next three years.

Within four months of the formation of the new company, on May 10, 1954, Trans-Canada was granted an export permit by the petroleum and natural gas conservation board of Alberta to take four trillion three hundred and fifty billion cubic feet out of Alberta in the next 25 years. This export quota represented the total estimated market requirements of Canada in that 2½ decade period and enough to export 200 million cubic feet of gas daily to the United States for 25 years.

Two months later, in July 1954, Trans-Canada appeared before the board of transport commissioners in Ottawa and was granted a provisional permit to build the line across Canada and a spur south from Winnipeg to carry export gas to the Canada-United States border at Emerson, Manitoba. The permit was provisional to the degree the company still had to prove financibility.

In the same month, July 1954, Trans-Canada applied to the board of transport commissioners for a permit to build a pipe line from Niagara Falls to Toronto to bring in a temporary supply of American gas for the metropolitan Toronto area. This interim supply was important because it would temporarily satisfy a pressing need of the Consumers' Gas Company and would assist in the development of a much larger market for Alberta gas when it arrived in Toronto. This Niagara-Toronto line was started within three weeks after the transport board permit was granted, was completed three months later, and the conversion from manufactured to natural gas was in effect in Toronto by November 7, 1954. This 76-mile line cost $5,300,000 and its cost was borne by the sponsors of Trans-Canada.

Simultaneously, Trans-Canada, equipped for the first time with proper authority, embarked on vigorous purchase and sales programs, buying hundreds of billions of cubic feet of natural gas from the Alberta producers and arranging to sell it to utility companies and industries along its 2350-mile route to Montreal. Some considerable progress was made in both directions but, in both cases, Trans-Canada was faced with problems beyond its control. With the exception of a section of southwestern Ontario, none of the communities along the pipe line route had used natural gas nor knew much about it. Utility companies, either public or privately-controlled, had yet to be established in most communities. Thus, in many instances, there was no second party with whom Trans-Canada could negotiate. This is still the case in many centres but most of the large market areas now have gas utility companies and have firm contracts with the pipe line company.

At the other end of the line, in Alberta, purchase contracts were lagging too; it was evident many large producers were going to hold out until they achieved strong representation of their industry within the framework of the pipe line company. This led to a broadening of the base of the Trans-Canada company to include Canadian Gulf Oil Limited, which owns one of the largest gas reservoirs in Alberta, and Hudson Bay Oil and Gas Company Limited, another major and respected gas and oil producer.

Appreciation of the extension of sponsorship was soon evident among producers. Purchase contract negotiations were speeded up; long-term agreements, favourable to both the pipe line and the producers, were much easier to negotiate. At this moment, June 5, 1956, Trans-Canada has signed purchase contracts with Alberta producers for the limit of its export permit.

In the early summer of 1955 Trans-Canada signed a contract with Tennessee Gas Transmission Company to export to this company, at the Manitoba-Minnesota border, 200 million cubic feet of gas daily for a 25-year period. The requirement of the Alberta government to export to an accessible and substantial U.S. market was met to the best of the ability of Trans-Canada. This export requires the approval of the federal power commission of the United States and it is now being considered.

By midsummer 1955, the prospect for making a start on the line in 1956 appeared quite bright. Plans were completed for the importation from the United States of additional interim supplies of gas to serve the area from Toronto to and including Montreal as a market development measure pending the arrival of Alberta gas. The necessary pipe for this line was placed on firm order and an application was made to the federal power commission of the United States for a permit to import the temporary supply. This application is also under consideration by the United States commission at this time.

As late summer, 1955, approached it was necessary to arrange for the scarce 34-inch

diameter steel pipe for the 575-mile line to Winnipeg. This created a real problem. The pipe would cost close to $40 million; it was in heavy demand. A firm order was required and this large amount of money—still a highly speculative risk—posed a large problem.

An hon. Member: Read more slowly.

Mrs. Fairclough: Not so fast.

Mr. Cameron (High Park): In late October, with a November 1 deadline for the order looming, Trans-Canada decided to ask Tennessee Gas Transmission if it would consider placing the order on that company's line of credit with the steel company and, in return, assume, if it desired, a sponsoring position in Trans-Canada. Tennessee Gas agreed to the proposal, came into Trans-Canada on an equal basis with Canadian Gulf and Hudson Bay Oil and Gas, and assumed its share of the sponsoring cost of the pipe line company.

Sales contracts continued to grow in overall quantity but still fell short of the amount required to pay the fixed charges on the line, the prime requirement in pipe line financing. It soon became evident that without some form of extraordinary financial assistance, the line could not be started in 1956 and the Canadian government was advised of the problem. It was decided parliament would be asked at this session to provide assistance of assuming the responsibility of building the costly section of the line between the Manitoba-Ontario border and Kapuskasing. At the same time, the strongest possible case was placed before the federal power commission of the United States for the important export to Minnesota, a sale which, had it been approved in time, would have made the entire project immediately economical and financible. This, however, was not to be the case; the import licence was contested by other interests in the United States and the hearing is still in progress.

Meanwhile, time was running out for the 1956 construction period. At best, Trans-Canada needed 120 construction days to build the line from Alberta to Winnipeg.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to remind him that his time has expired.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are opposing third reading of this bill, as we have opposed this legislation right from the start, because we regard it as a bad deal for the people of Canada. There are on the other side of this house those who seem to have fallen for the notion that the purpose of this bill is to build a line that will distribute gas in this country. Surely any who have studied the matter realize that the whole purpose of the promoters of Trans-Canada Pipe Lines Limited and Tennessee Gas Transmission Company which is behind Trans-Canada is to make use of Canadian gas for the purpose of breaking into the profitable industrial market in the central and mid-western part of the United States. True, contracts have been signed as a sideline to distribute gas to some areas in western Canada, including my own city of Winnipeg; but with regard to that I simply say that it has already been made clear that the Winnipeg and Central Gas Company which expects to get gas from Trans-Canada for something of the order of 28 cents a thousand cubic feet has applied for permission to sell that gas to the consumers in Winnipeg at a price of $1.10 a thousand cubic feet. That, of course, is run-of-the-mill practice so far as a private corporation of this kind is concerned.

There are those who think that they are voting on a proposition that will eventually get gas into Ontario and perhaps into Quebec. That could happen. It might happen. But the chances are it will not. To those who have studied the matter—to those who have listened to thoughtful discussions of this matter such as that which we saw and heard on "This Week" on Sunday night over the C.B.C. —it is clear that there is a great deal of uncertainty as to whether this line will ever result in gas being brought into the eastern Canadian market. The purpose of the Tennessee company, the purpose of Trans-Canada, is to get hold of this Canadian gas so that they can use it to break into the United States industrial market and make huge profits out of this resource that belongs to the people of Canada.

There are those who dare to hope that the day will come, despite the efforts being made by the promoters of this company, that there will be a system of considerable proportions distributing gas through the various parts of Canada. If there is any hope that that realization might come about I suggest to you, Mr. Speaker, that that makes it all the more important that this whole project should be under public ownership and control. If the picture that has been painted for us regarding the distribution of gas in Canada is to be realized, it means that in due course some 30 per cent of the people of this nation could be concerned in this project.

I submit, Mr. Speaker, that a project of that significance, a project that might concern some 30 per cent of the people of this country, should not be under foreign private ownership, should not be under private ownership

at all, but should be under the ownership and control of the Canadian people. Because this bill sets out to alienate control over this resource and over its distribution to foreign private interests, we maintain that this bill is a bad deal for the people of Canada. We in the opposition are trying our best not just to delay this bill. Let me disabuse others on the opposite side of that opinion. We do not want just to delay this bill. We are still trying to defeat it. In doing so, we are carrying out our responsibilities to the people who sent us to this free parliament.

We have heard a great deal from the other side, including many interjections from the Minister of Citizenship and Immigration (Mr. Pickersgill), though I do not believe he has made a speech in the debate. I imagine if someone did the arithmetic involved in counting the number of times his name is on *Hansard*, as has been done for some of the rest of us—quite a compliment, I might say—it would be found that his name is on *Hansard* quite often, but he has not yet given us a speech. May I say to the Minister of Citizenship and Immigration and to the rest of the government, particularly to the Prime Minister (Mr. St. Laurent), and there is something very pointed I want to say to him tonight, that they do not yet seem to have appreciated the fundamentals of this situation. They have made up their minds they want to put this bill through. They come before us and they talk about the will of the majority. They talk about majorities having the right to vote and decide on the issues. I want to deal with that in terms of what I call the fundamentals in just a moment. Before I do so may I indicate just how this decision of the so-called majority was reached. It is set out very clearly for us on page 202 of "The Canadian Liberal", for the first quarter of 1956. This is certainly an official publication because the editorial advisory board is headed by D. K. MacTavish, Q.C., who seems to head a great many things. On page 202 I find a part of the speech which was made by the Minister of Trade and Commerce (Mr. Howe) at that Liberal banquet which was held earlier this year. He said:

> I heard a song a while ago entitled "What Lola wants Lola gets". But the point about all this is that when the decision is made, when the Prime Minister says, "This is the course we will take", Mr. Gardiner follows the party line without the slightest deviation. There is never a word expressed outside the council chamber that he had ever had a different point of view about the matter at issue.

In other words, this decision of the majority that the Prime Minister and the rest of the cabinet tell us must be accepted by parliament is a decision that was first of all made in the cabinet on the basis of that slogan, "What Lola wants, Lola gets".

Now, Mr. Speaker, apart from Lola let me get down to fundamentals. We have heard references in this debate to the British North America Act and Magna Carta. May I remind those who may be quoting the British North America Act that section 50 provides for parliament to remain in office for not more than five years. Section 50 does not say that every elected parliament must remain here five years. No, it allows a parliament to last not more than five years, subject to being sooner dissolved by the governor general. What is the fundamental proposition involved in section 50 of the British North America Act? It is that we have what is known as responsible government. It is different from government in some other countries where a congress or an elected legislature is elected for a set period of time. We have responsible government which is based on the proposition that the government has the constitutional right to go ahead and put legislation through parliament only so long as it has the confidence and support of the majority of the electorate of this country.

Mr. Pickersgill: No, the majority of the members of this house.

Mr. Knowles: When the time is reached when there is any doubt about that matter, when there are serious apprehensions amongst large groups of citizens in the country as to the course the government is following, there is only one thing for that government to do and that is to take a proposition of this magnitude, especially three years after an election, to the people of this country.

Lest my professorial friend, the Minister of Citizenship and Immigration, is of the opinion that I am just uttering my own dictum let me refer him to an authority on parliamentary procedure. Dr. Arthur Beauchesne. I refer in particular to page lviii, of his third edition.

An hon. Member: That is page 58.

Mr. Knowles: I recognize that is page 58, but it is really page lviii of the early part of the book which is just before page 1. Not only is it just before page 1, but it is basic to everything else that follows. If this debate only went on long enough I would have a chance to read the whole of Beauchesne.

Mr. Pickersgill: Have you not already done that?

Mr. Knowles: I ask the Prime Minister to listen to this paragraph.

> To hasten drastic and contentious legislation through parliament, except on the basis of the

clear and unmistakable approval of the majority of the electorate, might, strictly speaking, be legal.

Mr. Prime Minister, what you are asking parliament to do tonight is legal. You have the authority and power to do it.

Mr. Pickersgill: And constitutional.

Mr. Knowles: My hon. friend would do well not to put his name on *Hansard* quite so often.

Mr. Pickersgill: I cannot hope to compete with you.

Mr. Knowles: I go on to the next sentence and while I am talking to the Prime Minister I do not mind the Minister of Citizenship and Immigration listening in.

But it would be unconstitutional in the sense that it would offend against one of the foundations of parliamentary government, the principle that no party in office shall act so drastically along party lines as to cause grave apprehension among large numbers of citizens or as to be regarded as action designed solely to protect one class of the community, and not the community as a whole.

An hon. Member: Tut, tut.

Mr. Knowles: Mr. Speaker, some wiseacre over there says, "Tut, tut". That is their regard for the fundamentals of our parliamentary institutions.

Mr. Pickersgill: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Knowles: When my 20 minutes are up I shall be delighted if the minister asks all the questions he likes.

Mr. Pickersgill: I have only one question.

Mr. Knowles: I say that the government is doing precisely what that quotation from Beauchesne says is unconstitutional. It is hastily putting through something on party lines, something that has already caused grave apprehension among large numbers of citizens throughout this country. The Prime Minister knows that the majority of the people in this country do not support him on this pipe-line proposal.

Some hon. Members: Oh, oh.

Mr. Knowles: If you are so sure why do you not tell the Prime Minister to dissolve this house? As a matter of fact, it is my suspicion that the Prime Minister realizes that he should dissolve this house, but it is those members behind him who do not want an election who are trying to keep him from doing it. Furthermore, Mr. Speaker, what is being done here tonight by the Prime Minister and this government meets exactly the prohibition in the last part of that quotation:

. . . designed solely to protect one class of the community, and not the community as a whole.

[Mr. Knowles.]

No, it does not quite meet it, Mr. Speaker. It is not designed to protect one class of the Canadian community; it is designed to provide huge profits for a few people outside of this country altogether. I say to the Prime Minister, in the words of that quotation, he has the power to do what he is doing tonight; it is perfectly legal; it will stand up in court but in the strict parliamentary sense of the term, by the rule of everything that is moral and proper, it is unconstitutional what he is asking parliament to do tonight, and that is the reason we are taking the stand that we are, not just a delaying action, but a stand—

Some hon. Members: Oh, oh.

Mr. Knowles: Our aim, Mr. Speaker, is to defeat this bill and we hope that even yet the arguments that we are permitted to make in the next three hours and five minutes will persuade the government that it is trying to foist upon the people of Canada a bad bill.

Last evening the Minister of Finance paid me the compliment of suggesting that I had spoken more than 30 times in this debate. I do not mind that reference, but just to keep the record straight—and I suppose this will produce a bit of humour, but let us have the record straight—this is only the second time that I have actually spoken in this debate itself. All of the other times that I have risen to my feet—and it may be 28 other times or even 50 times—have been on points of order, and I make no apology for doing my best to persuade this parliament that it is not only important to get things done; it is important to do them in the right way.

I wish to point out, Mr. Speaker, that during the course of this legislation there have been a number of instances of what we regard as the breaking of the rules of this House of Commons. It is not my purpose in reciting them at this moment, or reciting just a few of them, at any rate, to argue each case over again. The house has made its decision, but I think we should have a catalogue of what has been done by this government. First of all, a second resolution was put on the order paper when an earlier resolution was already there. We fought that three different times because we felt it was wrong. Then, skipping over some of the minor infractions of the rules, we reached the occasion when, in my view, the government sought to go beyond what was included in standing order 33, the first night we were met with closure, when it brought in the bill the same night the resolution was passed. The government also broke a fundamental rule and presented parliament with a gross insult when it gave us a bill without the agreement attached to it which is referred

to in the bill. In due course, we got into committee and we had the Minister of Trade and Commerce, imposing, even before official closure under standing order 33, a form of closure that he devised—unless the Minister of Citizenship and Immigration suggested it to him—that of postponing discussion on the first three clauses, with the result that the only clause we discussed in committee was clause 4. In that connection, since the Prime Minister is fond of reading Redlich, an ancient authority, may I ask him to read a page other than the one he read yesterday. I refer him to page 92, paragraph 3, which reads:

> We may, then, say that the centre of gravity of the whole legislative action of the House of Commons lies in the region of the work of committee of the whole house. It is in committee that the fate of a bill is really decided; its ultimate form is there settled in the clash of parties and opinions or by the compromises made between them. In this stage debate is quite free: members may speak to each question as often as necessary.

Over on page 93 Redlich says this:

> The rules provide, of course, for the application of the closure to debate in committee as well as in the house. It may be moved and carried upon every question before the committee. But its use in committee, except sparingly, is regarded as unwarrantable conduct on the part of the majority. All opinions ought here to have an opportunity of free expression.

That is Redlich, Mr. Speaker, the Prime Minister's authority, used by him in another debate. I suggest that he read these pages and realize how grave is the sin that he has committed in asking this parliament to give third reading tonight to a bill which, when it was in committee of the whole, was discussed, so far as this house was concerned, only with regard to one clause because we had this vicious form of closure, not only the application of standing order 33 in a way which I feel was in violation of the rules, following the bad precedent of 1932, but we had this other form of closure that the Minister of Trade and Commerce introduced right from the start. That, I say, Mr. Speaker, is in violation of the basic principles laid down in Redlich as well as in other authorities.

I see that my time is running out. I will not be able to complete the catalogue of the rules that have been broken; but, Mr. Speaker, let me say this to you. What has happened throughout this debate? It is not just so much that an individual standing order, an individual rule, an individual citation here and there has been broken; the terrible result is that there has been built up an over-all precedent, an over-all fact that this parliament can never forget; not just that the rules can be broken, but the precedent that has been established in this debate is that parliament can be made to bow to the will of one man. If it has been done once, as it has, it can be done again. No pipe line is worth it.

I conclude with these words. I direct them to the Prime Minister in the hope that even yet, between now and one o'clock tonight, he will reconsider this matter and tell these men behind him who do not want an election that this whole matter is too serious, and take it to the country.

Mr. Viau: We want gas in Winnipeg.

Mr. Knowles: The hon. member for St. Boniface says, "But we want gas in Winnipeg." Yes, we want gas in Winnipeg, but we do not want it at inflated prices such as we will get under private enterprise.

If I may get back to what I was saying before the interjection of the hon. member for St. Boniface, there is something far more important than gas for Winnipeg, far more important than a pipe line for Canada. That something far more important is parliament, which has been wounded seriously, wounded by what has happened in the course of this debate. I say again that I did not have time to catalogue all the instances of the rules that have been broken in this debate. They are important in themselves; but the over-all result is that a serious precedent has been established, the precedent that the parliament of Canada can be made to bow to the will of one man. I say to you, Mr. Speaker, and through you to the Prime Minister, what shall it profit Canada if we gain a pipe line and lose this nation's soul? What shall it profit the people of Canada if we gain a thousand pipe lines and lose parliament?

Mr. Martin: Will my hon. friend permit me to ask a question?

Mr. Knowles: Certainly.

Mr. Martin: There is in the conclusion that he has drawn the suggestion that there has not been enough time for the discussion of this bill. The leader of the C.C.F. acknowledges that to be the case. Will the hon. member for Winnipeg North Centre not agree that the longest time ever permitted by the Labour government in the United Kingdom—

Some hon. Members: Oh, oh.

Mr. Martin: Let me put my question. The longest time ever permitted by the Labour government during the years 1945 to 1951 on a money bill was four hours and 44 minutes.

Mr. Knowles: Mr. Speaker, in reply to the minister may I send him a copy of May's fifteenth edition and ask him to read the rules under which the parliament at Westminster

operates including rule 29 having to do with closure, where he will see there is quite a different setup so far as closure in that country is concerned.

Some hon. Members: Oh, oh.

Mr. Pickersgill: It really works there.

Mr. Knowles: Hon. members are laughing, but the Speaker nods his head. He recognizes the truth of what I am saying. I say to the Minister of National Health and Welfare that if he is concerned about the fact that there has not been sufficient time to discuss the pipe line bill in this house I agree with him. I would also agree there has not been sufficient time to discuss what has been happening to parliament. But so far as the time to discuss the pipe line measure is concerned, may I remind him that we were first given notice of the pipe line bill in the speech from the throne on January 10. The Minister of Trade and Commerce gave notice of his first resolution on February 6. On March 15 that first resolution was debated for one day, but it was not until May 14 that we were given the chance to start discussing what was at long last the government's proposition in this field. If anyone is responsible for cutting down the time for discussion of this measure it is the government on the other side of this house.

Mr. W. H. McMillan (Welland): Mr. Speaker, this is the first time I have risen to take part in this debate on the pipe line but I thought I could devote a few moments to dealing with the beneficial effect that the construction of this pipe line would have on Canada. The Minister of Finance (Mr. Harris) said that this would mean the expenditure in Canada of about $1 billion which would include the capital cost of the construction of the pipe line, the capital cost of the distribution of the gas plus the capital cost of assembling and purifying the gas.

In my county of Welland a new company, the Welland Tubes Limited, has been formed as a subsidiary of the Steel Company of Canada and of the Page-Hersey Tubes, Limited. This company is presently building a plant five acres in extent to make 30-inch pipe to build a part of the line from Winnipeg to Montreal. In fact, it has already been announced by Trans-Canada Limited that this company will be awarded a $45 million contract for 30-inch pipe. They should be in operation early in the new year. Besides this, Page-Hersey Tubes, Limited, will be making much of the pipe required in the smaller subsidiary lines necessary for the distribution of gas.

The total length of the pipe line from Alberta to Montreal is about 2200 miles. The pipe for the 34-inch line from Alberta to Winnipeg will be supplied by United States companies at a cost of about $40 million. The 30-inch pipe for the distance from Winnipeg to Montreal will be supplied by British and Canadian firms. The British share is $32 million and the share of the Canadian firm is $45 million or 60 per cent of the 30-inch line. This is a very sizeable order indeed for a company which has the know-how but as yet has no buildings and no machinery, or at least not much machinery for building pipe of this size.

I am impressed with the capable management of Page-Hersey Tubes, Limited, and no doubt they will direct this project. I know many of their men and I feel confident that they are admirably qualified in a technical way to build this pipe.

Ever since the pipe line was proposed I have been in constant touch with the Minister of Trade and Commerce (Mr. Howe). I want to thank the minister for saying he would do his best to see that all the pipe that could be made in Canada for this project would be obtained here. I think the minister has been most fair. He has always been out to help Canadian industry and when he has kept Canadian industry at work he has maintained employment at a high level.

Before departing on his trip to Australia I called to the attention of the Minister of Trade and Commerce the fact that the Atlas Steels company of Welland was somewhat slack. They were making stainless steel. I asked him if he knew about any new market for stainless steel and he told me he would see what he could do. The minister went to Australia and it was not long before the Atlas Steel Company in Welland was working on the stainless steel requirements of the Australian railways. This has opened up a new market for this company in that part of the world and I would express the hope that they can continue to get sufficient nickel to fill their expanding export markets.

I have a letter in my hand dated June 1 from Mr. De Young, president of Atlas Steels company. In this letter he asks me to express appreciation to the minister and his department for the help his company is receiving in their export business. This is a typical attitude I find in industry in my area concerning a man who many opposition members say is a dictator.

The manufacturing of pipe will be a year-round operation. Many workmen experienced in various technical skills will be employed and this will help alleviate the condition of seasonal unemployment in the wintertime. The manufacture of this pipe in Welland will help to boom the economy of Welland

county, the Niagara district and Canada as a whole. A good many men will be employed.

I am very much in favour of the immediate construction of this pipe line and will not at this time go into my reasons. I am ready to accept the word of the premier of Ontario as to the need for power and energy in my province.

Mr. Small: Pretty weak.

Mr. McMillan: I recently read an editorial which said in effect there was no shortage of coal and therefore the gas was not required. I think this editorial missed the point completely because if we do not need to import coal because of the availability of gas we will save many Canadian dollars. Then, too, the Consumers' Gas Company of Toronto will be using Canadian gas instead of United States gas as they do now. The opposition parties say we are favouring the money barons of the United States. That is just as sensible as it would be for me to say that by their actions they are favouring the coal and oil barons of the United States. We must not forget that if Trans-Canada makes money, and no doubt it will according to the opposition, the three levels of government, federal, provincial and municipal must have about a 50 per cent share in these profits.

Much has been said about the rules of the house. I have been here since 1951 and it seems to me it is becoming progressively more difficult to expedite legislation particularly if it is of a contentious nature. Democracy here could be more efficient. We have been here for six months and the order paper seems full and not many estimates have been passed. We seem to debate the smaller items at great length and just before parliament adjourns we pass estimates affecting the expenditure of millions of dollars in just a few hours.

Mr. Small: Why didn't the government bring it down before?

Mr. McMillan: The government brought it down in time. The point is, our system lends itself to a certain inefficiency becoming, in my mind, more apparent with the growth and expansion of our country.

Mr. Hamilton (York West): Let closed debate fix that.

Mr. McMillan: Considering the pipe line debate from a surgeon's point of view, I have often wondered what would happen to a patient if a surgeon working in the chest or abdomen of a patient had to stop his surgery to listen to long conflicting arguments from his assistants.

Mr. Small: Sometimes they do.

Mr. McMillan: I am afraid it certainly would not be advantageous to the life of the patient. In the same way, this long debate has not been advantageous to the Canadian people. I never realized and I never imagined that so much pain would be experienced in giving birth to this project.

An hon. Member: Gas pains.

Mr. McMillan: I agree that we must have rules of procedure and that these must be based on decisions of the past, but too many rules, many of which seem to conflict, to my mind tend to make our democratic processes inefficient. We should strive to make them effective and dynamic. I think we should be able to contrive rules that would leave protection with the minority but at the same time afford rights to the majority, who in the final analysis must take the responsibility of government. After all, it is the differentiation of these rights that comes into play in the procedure of closure.

Our mother of parliaments at Westminster conducts its business much more expeditiously than we do here. I understand that closure is used there as often as 22 times a session. True, it is more often by agreement, but forced closure does occur as occasion requires. But agreement on closure is more readily arrived at when there is a suggestion of forced closure behind it.

I think that if our parliament is to have the confidence of the people we should be spending more time on the business for which we were sent here rather than on long procedural debates. Repetition of argument on succeeding stages of a bill, particularly by the same speaker, is inexcusable, since it is time consuming and costs the taxpayers money. Some hon. members in this house seem to think that there is something wrong with the application of closure. Even the Prime Minister said it was distasteful to him, but he is to be admired for going through with it when it is for the good of the Canadian people as a whole. The Conservative party has used it two or three times this generation. Now we have used it, supported by the Social Credit party. I think the hon. member for Vancouver-Kingsway (Mr. MacInnis) speaking for the C.C.F., said the other night that it should be used on occasion.

Why then the outcry when approximately three-quarters of the members in attendance in this house have been consistently voting for this pipe-line bill? Under these conditions, would any reasonable, disinterested person say that the bill should not pass? Majorities rule in all western democracies; minorities rule behind the iron curtain and in those parts of the world where tyranny still exists. Why should a minority rule here?

It is time that some sanity returned to this house. The Prime Minister is both gracious and generous. He is too much of a gentleman to reply in kind. The Minister of Trade and Commerce (Mr. Howe) is also a fine gentleman and has done more in a practical way than any other man in this generation to make Canada great. During the pipe-line debate they have both been smeared by insinuating questions and statements, the like of which I would not like to be on record as using against any person in this world.

Mr. J. G. Diefenbaker (Prince Albert): Some three weeks have passed now since the government started its plan of muzzling parliament and since it adopted a new type of closure, which is a type of foreclosure to prevent disclosure. One question which has been asked and which has not been answered by the Prime Minister or any of the other ministers is this, and I again throw the challenge out to the government to answer it When in all parliamentary history has this course ever been followed before of adopting closure before discussion begins? I have perused the records of parliament, the history of Britain; I have taken the records of closure during the years; and in large measure it has been imposed as a result of agreement. I can find no trace where in the mother of parliaments such a course was adopted whereby parliament was frustrated from discussion by reason of the actions of the Prime Minister and those associated with him.

As I listened to my hon. friend, the Minister of Finance (Mr. Harris), last evening, I enjoyed hearing a parliamentary speech made in parliamentary style and I compliment him for that speech. I say to him that he did not answer that question; he evaded that question. History shows that Gerry, the governor of one of the states, finally achieved the unusual distinction of having his name used in connection with gerrymander. Another politician, Roorback, achieved the doubtful distinction of having his name associated, by reason of his conduct, with false and frivolous stories a few days in advance of an election when it was too late to deny them. My hon. friend, the Minister of Finance, too has achieved immortality in having created what I think in future years will be known as the Harris closure, whereby the mouths of parliament are silenced in advance because of the fear of the government that disclosures would defeat the purposes of the Minister of Trade and Commerce.

I am one of those—and there are many of us—who love parliament. The House of Commons—with its traditions, its dedication to preserve and maintain freedom, its necessary dependence on the fact that an opposition must be able to express itself fearlessly and powerfully upon the issues of the day—requires rules that are interpreted fairly. As you know, Mr. Speaker, being about to publish a book on the subject of the rules of parliament, the rules of parliament should not be altered, dare not be changed in order to meet the demands of an overwhelming majority. Only yesterday the Prime Minister, in the course of his speech giving one of the reasons for the action the other day which denied the rights of parliament, when the decision of the previous day was reversed in the morning, said that after all that prejudiced the government. I have his exact words, and I asked him to repeat them. "To the prejudice of the government." Is that the basis upon which parliament is operating? Is that the basis by which we in fact, as members of this house, are to be attendants at the will of the Prime Minister and those associated with him? Sir, the events of the last week will be forgotten, but not forgotten in this generation will be the short-cuts through freedom that have been made by a government that has set the zero hour and then curtailed the rights of parliament in order to achieve an arbitrary date. Yes, I did not get the opportunity to ask the Minister of Finance (Mr. Harris) last evening what it was that changed his attitude in the last year. Was it not a fact that a year ago he was opposed to advancing money to this corporation? Was it not a fact that a year ago he did not wish to guarantee the bonds of this corporation? He nods assent.

What changed his attitude? What brought about this change? Why this alteration of attitude? Has the Minister of Finance finally concluded that to his left sits the king maker, the Warwick, the man who will determine the next leader of the party to which he belongs?

Mr. Harris: Oh, act your age, John.

Mr. Diefenbaker: He has dominated parliament. Having dominated parliament, are we to say that in the lesser sphere of party politics it would not be beneficial to those who have ambition to have him within their corner? Yes, I ask that, for I find it passing difficult to understand why the Minister of Finance should have deemed it necessary to alter his direction, to change his viewpoint in a matter of a few months. The company that for five years broke every promise, that denied the achievement of everything it advanced, suddenly became even in the mind of the Minister of Finance a puppet equal in favour to the favour it enjoyed in the mind of the Minister of Trade and Commerce. Why the change? In order to achieve a temporary victory, the victory of the opportunity of a

majority to say "yes", every right of parliament has been mercilessly and brutally mutilated. Yes, Mr. Speaker, your book is out of date even before it is published.

And we have had all of that in but a few weeks, all of that in order to achieve the glory of a victory that depends upon evasion of the rules. Why, Mr. Speaker, can you imagine how the rules have been perverted when today becomes yesterday because, as the Prime Minister (Mr. St. Laurent) said, otherwise it would have prejudiced the government? Oh, it is a dreadful picture. It is one that the members of this government will hear about, it is one about which the Canadian people are beginning to realize what my hon. friend who just took his seat so emphasized, the need of efficiency. Has that not been the cry of every dictator and every potential dictator in every generation? Parliament works too slowly. They want action now. The rules have been with us for generations. Dump out the rules. Evade them. Place Mr. Speaker in an unenviable position, having established the apex of authority and prestige.

Surely, sir, never in the history of this parliament has there been such sordid action to place Mr. Speaker in a position whereby all of the things for which he stood are to be subverted to the temporary desires of an immediate victory, of a fixed date. Oh, it is quite a picture. It is one that governments in the years ahead will look back upon and their members will say: Was that Liberalism in 1956?

I am going to refer for a moment now to one or two matters that have arisen during the course of the debate, and one of them has to do with prices. On May 29 I spoke in the house and I referred at some length to the representations being made by this favourite corporation, this corporation of which 24 per cent is owned and controlled by Clint Murchison. He is a remarkable man, Mr. Speaker. It has been said of him that he can take one dollar and one dollar and make $11 million. He himself has said that when he has been asked, "How do you do your financing?", he has said, "I do my financing by finagling". Oh, there is a man, a man who, according to his own biography, in his early life thought of the day when he ultimately would be able to take the rest of the United States and add it on to Texas. He has looked a little farther north under this bill. This is the man for whom the rights of parliament have been subverted and the traditions of generations swept aside.

The Minister of Trade and Commerce (Mr. Howe) answered me the other day when I produced the record, and I have it here, the evidence given by Mr. Lowe to whom reference was made yesterday by the Leader of the Opposition (Mr. Drew). This is the only price list that has been placed by Trans-Canada Pipe Lines before the federal power commission. When I brought up this matter what did the Minister of Trade and Commerce say? He was aided and abetted by the Secretary of State for External Affairs (Mr. Pearson), although it is a little out of his ambit. As found at page 4426 of *Hansard* of May 29 the Secretary of State for External Affairs said of myself:

> He does not know what you are talking about.

Charity begins at home, I say to my hon. friend. None of the ministers of the government knew anything about this, or at least the Minister of Trade and Commerce did not, and he went on to say this, as found at page 4426 of *Hansard*:

> This is the current revised rate schedule for about 140 million cubic feet of gas, contracts for which have been based on this rate schedule.

Then he went on to say that the prices were as follows and he set them out. That was his statement. That was his manner of deluding parliament. He answered me and he said that I distorted. He did not know, Mr. Speaker, that the sales manager of his beloved corporation, Trans-Canada, had given evidence on the 11th day of April in Washington. I can give him the page if he would like to have the page. This man was showing how advantageous this deal was. But the right hon. gentleman said to me that I did not know what I was talking about, that I distorted. Well, Mr. Speaker, the next day he rose in his place in the house and, with that circumspection that does not always characterize his actions, this is what he said as reported at page 4475 of *Hansard*: I have a correction to make. That is the omnipotent man, the man who dared to say to me that I had placed before the house something distorted. He said, "My figures were not revised".

Mr. Howe (Port Arthur): You would not correct anything.

Mr. Diefenbaker: He said my figures were not the truth. I have them here, and if my hon. friend will allow me to place them on *Hansard*, I will do so.

Mr. Howe (Port Arthur): Do it.

Mr. Diefenbaker: They were given in evidence placed before the federal power commission of the United States. This is what the Minister of Trade and Commerce (Mr. Howe) said as reported at page 4475 of *Hansard*:

> I have a correction that has to do with the figures I gave on the cost of gas. The figures

Northern Ontario Pipe Line Corporation

appearing on page 4426 of *Hansard* for May 29 at the end of column 1 and the beginning of column 2, relating to interruptible gas are in error.

That is the man who told me that I distorted, the man who produces evidence that he had to evacuate the day following. His statement continues:

They were quoted as being the current revised rates, but were read from an unrevised tabulation.

Mr. Speaker, he was not answering me. He was answering his pet corporation.

Mr. Howe (Port Arthur): I would not bother to answer you. You never made an accurate statement in this house in your life.

Mr. Diefenbaker: I would ask my right hon. friend to maintain silence and listen to the truth. As I say, Mr. Speaker, that is what he did, and he did not have the courtesy to say, "When I said my hon. friend distorted, charity begins at home". No. He did not do that. Here is the record and I challenge my right hon. friend to let me have the same right as that which we gave him the other day, that of placing this record on *Hansard*.

Mr. Howe (Port Arthur): Certainly. I have been asking you to table it for the last week.

Mr. Diefenbaker: Mr. Speaker, I am asking the same consideration as that which we extended when my right hon. friend produced the revised revised edition.

Some hon. Members: Agreed.

Mr. Diefenbaker: I ask the permission of the house to have this document added to *Hansard* for it tells the story. It reveals the facts. It indicates that Canadians, under the representations being made to the federal power commission of the United States by this favourite corporation; this corporation that has been cajoled, nourished and helped; this corporation whose promises, however often broken, have always been forgiven—

Mr. Howe (Port Arthur): Put your table on *Hansard* and let us see how phony it is.

Mr. Diefenbaker: That is what I wanted to do. I submit the table.

Mr. Howe (Port Arthur): You read from both tables.

Mr. Diefenbaker: I submit the table.

An hon. Member: The boss gave you permission.

Mr. Diefenbaker: I submit the table which was submitted by Mr. Lowe on April 1, setting out in detail the prices that are expected will be charged between November 1, 1956 and November 1, 1957 and thence year by year until November, 1962.

Mr. Howe (Port Arthur): Would you mind telling me who Mr. Lowe is?

Mr. Fulton: We told you who he is and you would know if you had been listening.

Mr. Speaker: Order. Does the hon. gentleman wish to have this table put on *Hansard* interspersed between his remarks?

Mr. Diefenbaker: Yes. That is the purpose.

Mr. Speaker: Has the hon. gentleman unanimous consent to have that done?

Some hon. Members: Agreed.

An hon. Member: The boss says yes.

Mr. Diefenbaker: The table is as follows:

TRANS-CANADA PIPE LINES LIMITED—ESTIMATED ANNUAL SALES AND REVENUE

Docket No. G-9451
Exhibit

—	November 1, 1956 to November 1, 1957					November 1, 1957 to November 1, 1958					November 1, 1958 to November 1, 1959				
	Max. day demand MMCF	Annual delivery MMmcf	% annual load factor	Average rate ¢/mcf	Annual revenue $(000)	Max. day demand MMCF	Annual delivery MMmcf	% annual load factor	Average rate ¢/mcf	Annual revenue $(000)	Max. day demand MMCF	Annual delivery MMmcf	% annual load factor	Average rate ¢/mcf	Annual revenue $(000)
1. Saskatchewan	11·0	2·0	50	26·6	532	14·0	2·6	50	26·6	692	17·5	3·2	50	26·6	851
2. Manitoba—															
Winnipeg & Central Gas	15·1	3·3	60	32·9	1,086	23·3	5·1	60	32·9	1,678	31·0	6·8	60	32·9	2,237
3. Others	2·0	0·3	37	40·9	123	3·0	0·4	37	40·9	164	4·5	0·8	50	35·0	280
4. Total, Western Canada	28·1	5·6			1,741	40·3	8·1			2,534	53·0	10·8			3,368
5. Mid-Western Gas Transmission at Emerson	204·0	57·707	77·5	26·8	15,476	204·0	61·430	82·5	25·9	15,941	204·0	67·014	91·6	25·3	16,954
6. Sub-total, Winnipeg West	232·1	63·307			17,217	244·30	69,530			18,475	257·0	77·814			20,322
7. Ontario—															
8. Union Gas Company											16·4	9·0	150	39·0	3,510
9. Others—															
10. Western Ontario						8·32	1·97	65	42·2	831	12·9	3·06	65	42·2	1,291
11. Northern Ontario						3·65	·87	65	52·7	458	9·44	2·24	65	52·7	1,180
12. International Nickel						9·2	2·5	75	51·5	1,288	10·0	2·7	75	51·5	1,391
13. North Bay to Toronto						·85	·12	37	77·5	93	2·2	·3	37	77·5	233
14. Provincial Gas Company						5·8	2·0	100	46·1	922	6·4	2·34	100	46·1	1,079
15. Dominion Gas Company						1·1	·2	50	66·2	132	1·9	·3	50	66·2	199
16. Toronto and area						51·0	13·8	75	51·5	7,107	60·0	16·4	75	51·5	8,446
17. East of Toronto to Montreal						5·8	1·49	70	54·7	815	7·3	1·86	70	54·7	1,017
18. Ottawa and area						5·1	1·40	75	52·1	729	7·2	1·97	75	52·1	1,026
19. Total, Others						90·82	24·35			12,375	117·34	31·17			15,862
20. Undistributed, Niagara						102·00	28·928		35·67	10,319	102	23·214		35·67	8,280
21. Quebec, Montreal						38·50	10·5	75	52·1	5,471	48·0	13·1	75	52·1	6,825
22. Sub-total, East of Winnipeg						231·32	63·778			28,165	283·74	76·484			34,477
23. Total Sales						475·62	133·308			46,640	540·74	154·298			54,799
Allowance for—															
24. Losses	2·40	·706				3·50	1·333				4·0	1·543			
25. Fuel	1·50	·297				9·50	2·158				13·0	3·063			
Total Annual Purchases—															
26. 14·73 p.s.i.a	236·00	64·310				488·62	136·799				557·74	158·904			
27. 14·4 p.s.i.a	241·41	65·783				500·41	139·932				570·58	162·544			

TRANS-CANADA PIPE LINES LIMITED—ESTIMATED ANNUAL SALES AND REVENUE—*Concluded*

—	November 1, 1959 to November 1, 1960					November 1, 1960 to November 1, 1961					November 1, 1961 to November 1, 1962				
	Max. day demand MMCF	Annual delivery MMmcf	% annual load factor	Average rate ¢/mcf	Annual revenue $(000)	Max. day demand MMCF	Annual delivery MMmcf	% annual load factor	Average rate ¢/mcf	Annual revenue $(000)	Max. day demand MMCF	Annual delivery MMmcf	% annual load factor	Average rate ¢/mcf	Annual revenue $(000)
1. Saskatchewan	19·5	3·6	50	26·6	958	21·5	3·9	50	26·6	1,037	23·5	4·3	50	26·6	1,144
Manitoba—															
2. Winnipeg & Central Gas	39·3	8·6	60	32·9	2,829	46·9	10·3	60	32·9	3,389	46·9	10·3	60	32·9	3,389
3. Others	5·5	·1·0	50	35·0	350	6·5	1·2	50	35·0	420	7·0	1·28	50	35·0	448
4. Total, Western Canada	64·3	13·2	.....	.....	4,137	74·9	15·4	.....	.....	4,846	77·4	15·88	.....	.....	4,981
5. Mid-Western Gas Transmission at Emerson	204·0	70·737	95	24·9	17,629	204·0	70·737	95	24·9	17,629	204·0	70·737	95	25·94	18,350
6. Sub-total, Winnipeg West	268·3	83·937	.....	.....	21,766	278·9	86·137	.....	.....	22,475	281·4	86·617	.....	.....	23,331
7. Ontario—															
8. Union Gas Company	18·5	10·1	150	39·0	3,939	20·0	10·9	150	39·0	4,251	21·5	11·6	150	39·0	4,524
9. Others—															
10. Western Ontario	16·3	3·87	65	42·2	1,633	19·6	4·65	65	42·2	1,962	21·9	5·20	65	42·2	2,194
11. Northern Ontario	13·63	3·23	65	52·7	1,702	16·95	4·02	65	52·7	2,119	18·65	4·42	65	52·7	2,329
12. International Nickel	10·7	2·9	75	51·5	1,494	11·8	3·20	75	51·5	1,648	12·8	3·50	75	51·5	1,803
13. North Bay to Toronto	3·5	·47	37	77·5	364	4·2	·57	37	77·5	442	4·5	·61	37	77·5	473
14. Provincial Gas Company	7·0	2·56	100	46·1	1,180	8·00	2·92	100	46·1	1,346	9·0	2·95	90	47·9	1,413
15. Dominion Gas Company	2·75	·5	50	66·2	331	3·3	·60	50	66·2	397	3·8	·7	50	66·2	463
16. Toronto and area	61·6	16·84	75	51·5	8,673	62·9	17·20	75	51·5	8,858	64·0	17·5	75	51·5	9,013
17. East of Toronto to Montreal	8·65	2·09	66	55·3	1,156	9·8	2·38	66	55·3	1,316	10·5	2·55	66	55·3	1,410
18. Ottawa and area	9·5	2·60	75	52·1	1,355	11·4	3·12	75	52·1	1,626	12·7	3·48	75	52·1	1,813
19. Total, Others	133·63	35·06	.....	.....	17,888	147·95	38·66	.....	.....	19,714	157·85	40·91	.....	.....	20,911
20. Undistributed, Niagara	81·5	26·407	.....	35·67	9,419	47·6	15·207	.....	35·67	5,424	28·2	8·777	.....	35·67	3,131
21. Quebec, Montreal	62·0	17·0	75	52·1	8,857	79·0	21·6	75	52·1	11,254	90·0	24·6	75	52·1	12,817
22. Sub-total, East of Winnipeg	295·63	88·567	.....	.....	40,103	294·55	86·367	.....	.....	40,643	297·55	85·887	.....	.....	41,383
23. Total Sales	563·93	172·504	.....	.....	61,869	573·45	172·504	.....	.....	63,118	578·95	172·504	.....	.....	64,714
Allowance for—															
24. Losses	4·40	1·725	.....	.....	.....	4·40	1·725	.....	.....	.....	4·40	1·725	.....	.....	.....
25. Fuel	14·80	3·804	.....	.....	.....	14·80	3·804	.....	.....	.....	14·80	3·804	.....	.....	.....
Total Annual Purchases—															
26. 14·73 p.s.i.a	583·13	178·033	.....	.....	.....	592·65	178·033	.....	.....	.....	598·15	178·033	.....	.....	.....
27. 14·4 p.s.i.a	596·56	182·112	.....	.....	.....	606·28	182·112	.....	.....	.....	612·01	182·112	.....	.....	.....

BEL/jp.
November 23, 1955

A simple perusal of this document indicates as follows. My leader yesterday placed on record the figures for the period from November 1, 1957 to November 1, 1958 and so on year by year. In every year until 1962 Canadians are going to pay on the wholesale price approximately 7 cents to 10 cents more per thousand cubic feet than will the Americans. The Midwestern company, of course, is in a dual position.

An hon. Member: Time.

Mr. Diefenbaker: Mr. Gardiner Symonds is in the position of being a director and one of the bosses of Trans-Canada. He is also the head of Midwestern because it is a subsidiary of Tennessee. He buys cheaply from the Canadian organization and he sells at extremely high prices in the United States. My right hon. friend says that these were phony figures. The only thing phony about them was that they were given by Trans-Canada Pipe Lines corporation before the federal power commission of the United States. I make this suggestion. If they are right—

Mr. Howe (Port Arthur): I am glad you put in that qualification, "if they are right".

Mr. Diefenbaker: Yes, I say "if they are right". If they are right my right hon. friend, regardless of what the law may be in Canada, is actually helping a corporation to soak Canadians for the benefit of these very desirable promoters, these adventurers from Texas trading into Canada, and away with Canada's resources. On the other hand, if they are false,—and I want to be fair to my right hon. friend because it is his suggestion that they are—may I say that they are the only figures that this company has presented before the federal power commission of the United States. If they are false, the Trans-Canada officers and officials are trying to obtain, by false pretences, an order of a United States commission. I do not care which alternative you take. On the one hand, they are defrauding Canada, if you believe that the figures are correct; and they are certainly in the evidence of Mr. Low, the sales manager. If they are false, the purpose is to delude a United States commission into believing—in order to secure an order from the United States of America—that the price will be advantageous to the United States.

That is the kind of thing that we wanted to have before a committee, Mr. Speaker. The government say they gave us the right to speak, the right to question. In committee, when we asked one question after closure, we were out. We lost our position. We could not follow up. We wanted to see that benign and benevolent man, Mr. Gardiner Symonds. We desired to have an opportunity of finding out how he, on the one hand, as a director of Trans-Canada Pipe Lines, would be able to secure the best price for Canadians and how, as the motivating genius of the Tennessee company and the Midwestern company, he would at the same time be desiring to secure the lowest possible price. Mr. Speaker, the record is there. The Minister of Trade and Commerce the other day was obliged to rise and say to my friend the hon. member for St. Paul's (Mr. Michener), "If my figures are right"; because he pointed out that on the figures given by the Minister of Trade and Commerce, Canadians were being mulcted for the benefit of the people of the United States. He said, "If it is right, I will stop it; I will use the law". What have you been doing?

Mr. Howe (Port Arthur): Nothing.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Confession is good for the soul, even in the dying days of a debate.

Mr. Howe (Port Arthur): There has been no gas export permit issued.

Mr. Diefenbaker: That is exactly what the minister has been doing, nothing, but endeavouring to railroad through the House of Commons legislation for a company the desirability of whose claim is subject to the most serious suspicion. Certainly, there should have been a most serious examination.

Sir, I should like to have dealt with the McMahon plan. I should like to have some of the ministers conduct a little Gallup poll of their own. How many of them saw the McMahon plan?

Mr. Howe (Port Arthur): We have seen lots of Gallup polls.

Mr. Diefenbaker: What about the Minister of Mines? I never saw it. There were only three copies and the minister had three and they were all private and confidential. I put it to the Minister of Trade and Commerce that he told McMahon to write "private and confidential" on there. McMahon produced the record and the minister said write "private and confidential"—

Mr. Howe (Port Arthur): That is an absolute falsehood, Mr. Speaker.

Mr. Diefenbaker: My right hon. friend has often said that. He said it to me the other day and I have proven now that it was he who was deceiving parliament.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, this afternoon the hon. member for Eglinton (Mr. Fleming),

in a speech part of which at least I hope he will regret, suggested that we on this side, and especially we in the government, were putty in the hands of the Minister of Trade and Commerce (Mr. Howe).

Mr. Lennard: Aren't you?

Mr. Pearson: He went on to say, with that fine disregard for accuracy which he so often displays—

Mr. Nowlan: He studied under you.

Mr. Pearson: The hon. member was a disgrace to my teaching. "Where are all those members of the government? There is not one of them who has stood up here"—I am proud to be the eighth member of the government to speak on this bill.

We are now, Mr. Speaker, ending a debate which began, and we often forget this, on May 14th.

Mr. Fulton: It began on May 17th, and you know it. Why persist in falsifying the record.

Mr. Pearson: In the immortal words of the hon. member for Prince Albert (Mr. Diefenbaker), I asked the hon. member for Kamloops (Mr. Fulton) to maintain silence and listen to the truth. We occasionally forget also that this is a debate on a pipe line. The opposition to this bill has been long and vigorous.

Some hon. Members: Hear, hear.

Mr. Pearson: At times it has been frenzied. It was forecast many years ago, the tactics that should be followed by a Conservative opposition in such a discussion.

Mr. Nowlan: That was when you were a Tory.

Mr. Pearson: I can stand heckling, but I do not like to be insulted in that way. A great Canadian, Mr. Speaker, the late John W. Dafoe, in his book "Clifford Sifton in Relation to his Times", had this to say in describing the tactics of the opposition of 1897 to a railway bill introduced by Mr. Sifton. From his book I quote the following paragraphs which have a peculiar relationship to the debate we have been having in this house. He said:

> If any Canadian satirist wishes to write an oration for the use of an opposition resisting a government proposition to build or assist in building a railway—

Or, if you like, a pipe line.

> —he can readily find his material in that vast repository of talk, the Canadian *Hansard*. The lines of the attack are defined by usage and sanctified by tradition.

This was written many years ago.

> First it must be urged that the building of the road is too early or too late . . . then the route is all wrong; it either starts at the wrong place or follows the wrong course. The parties to whom the building of the road—

Or the pipe line.

> —is given are not the right parties.

Then, Mr. Dafoe put in quotes some of his own reflections on this.

> "Is not the government aware, Mr. Speaker, that the bankers of London, New York, Paris and Kalamazoo, in alliance with the engineers of Great Britain, the United States, Germany and Kamschatka are eager to build this railway, and given the opportunity are prepared to make a proposition which will save this country millions and rescue the people from the hands of the exploiters whom the government delight to honour?"

Then, Mr. Dafoe went on:

> Since the government cannot tear up the contract any alternative offer can be put in the most attractive light; while conversely, the arrangement, to which the government is committed, is to be painted in the darkest colours. Flagitious, corrupt, improvident, perfidious, knavish, faithless are words very suitable to be used. Any member of the opposition can be trusted to say that the treasury of the country is being robbed in order that means may be obtained for the debauching of the electors;—

Mr. Nowlan: That is obvious.

Mr. Pearson: I continue the quotation:

> —but only those most skilful in the art of innuendo should be permitted to hint that there is a private and sinister explanation of the favouritism displayed by the minister. By the use of some such formula an opposition running to interminable length can be offered.

Well, Mr. Speaker, the opposition has undoubtedly run to an interminable length, but there has not been as much discussion on the bill during this interminable length as on things external to the bill. This is probably a good reason why the Minister of External Affairs should take part.

The opposition, of course, claim, and they claim very often, to be gagged. If that is true, Mr. Speaker, they are the noisiest group of gagged men in history. They have talked, gag or no gag, endlessly on the bill, around the bill, above the bill and below the bill. They have ranged far and wide from Alcibiades, through Shakespeare down to poor old Guy Fawkes and then on to Hitler. They have raised endless points of order, questions of privilege, especially from one or two members.

A charge, and it is a serious one, has been levelled that what we are witnessing in this debate is the end of our parliamentary freedom.

Some hon. Members: Hear, hear.

Mr. Pearson: Well, that is the charge, Mr. Speaker.

Mrs. Fairclough: Absolutely right.

Mr. Pearson: What in reality are exaggerated and excitable statements cannot destroy the facts any more than carefully contrived scenes in the House of Commons can obscure them. Parliamentary government is in danger when the government elected in a democratic way is prevented from carrying on the business of government by a minority using and exploiting the rules of the house. To prevent that, Mr. Speaker—

An hon. Member: What about closure?

Mr. Pearson: I wonder if some of the apostles of free speech would allow me to continue my speech. To prevent this, there are rules of closure recognized in every deliberative assembly, and in most of them the rules are far stricter than they are in this assembly. That rule has been applied here, not to stop debate but to limit it. In that connection, reference has been made very often to the use of closure in the mother of parliaments, about which we have heard so much in the discussion. Let us see what happens in the parliament at Westminster. From 1945 to 1951, which was the period when the Socialist government was in power in the United Kingdom, the maximum time actually devoted to the consideration of any government money bill by the House of Commons during that period of six years was 21 hours and 25 minutes.

Mr. Dufresne: It was defeated since.

Mr. Pearson: And of that total time, including 44 minutes on the resolution preceding the bill, 7 hours and 18 minutes were given to second reading, 10 hours in committee, 22 minutes on the report and 2 hours and 35 minutes on third reading.

In the six Socialist sessions covered by this period, 55 money bills became law in the United Kingdom. Altogether, they took up 260 hours, 9 minutes, of parliamentary time, which would suggest—

Mr. Knowles: Good legislation.

Mr. Pearson: —that the average time spent in debate on a bill over there during that parliament was 4 hours and 44 minutes. That country, Mr. Speaker, the home of parliamentary freedom, also understands the necessities of parliamentary government, the responsibilities and rights of the government as well as of the opposition.

There is going on tonight in Paris, Mr. Speaker, a debate on which the government of that country has staked its existence. Before that debate began a period of three days was allowed for it. Is that the end of democracy in France?

Some hon. Members: Pretty much.

Mr. Pearson: Or is the real danger to democracy in France from the extremists in that country, right or left, who delay, obstruct, provoke scenes, shout down the presiding officer, or walk out? Extremists in those countries know, Mr. Speaker, that the best way to destroy democratic government —and in some of them they have succeeded —is to prevent it from governing; that the way to destroy freedom is to promote licence and confusion, and the best way to destroy democratic authority is to bring it into ridicule.

Mr. Hees: Is this your pitch for the leadership?

Mr. Lennard: No; it is his swan song before leaving.

Mr. Pearson: The hon. member for Broadview, whose interruptions in this debate are as vociferous as they are vacuous, must remember that all members are not consumed with the political ambition that seems to consume him.

Mr. Sinclair: Back to the bush leagues.

Mr. Pearson: The people of this country are not going to believe that a Liberal government headed by the present Prime Minister is going to destroy the liberties of parliament.

Some hon. Members: Oh, oh.

Mr. Pearson: There is no one in this country who is also going to believe that the Minister of Trade and Commerce (Mr. Howe), who has done so much for Canada in peace and war, is—to use, Mr. Speaker, the shameful phrase that came from the other side—the tool of United States interests.

Mr. Hees: Do you think you can catch Walter?

Mr. Pearson: The hon. member for Broadview is a physical heavyweight but a mental featherweight.

Mr. Hees: You were ahead last year but not this year.

Mr. Pearson: If we could have a little free speech for once I would appreciate it. I now come to a very important aspect of this discussion which has been referred to by a good many speakers, and that is the international side of the question. It has been suggested in the debate that our relations over this bill with the United States have been humiliating; that this bill represents a sell-out to United States interests.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, there is no reason for not speaking very frankly on our

relations with the United States of America on any subject. I have done it in the past and I hope to do it in the future. But it is no service to our country or to the United States to indulge in unfair references to Americans, to make destructive and insulting comments on United States investment; to use coarse epithets and charge that our resources are falling into the hands of United States buccaneers.

Mr. Nowlan: What does the New York *Times* say today?

Mr. Pearson: It is humiliating and degrading to suggest that we are becoming hewers of wood, drawers of water and diggers of holes for our United States neighbours.

Mr. Hees: That is your Montreal speech.

Mr. Pearson: That is a defeatist attitude. It is as defeatist as some of the references on the other side to 54-40 or fight, or to suggest that we are becoming a banana republic. I know the members of the opposition get quite violent in denying that they are unfriendly to United States investments in Canada. Well, if they are so friendly to United States investments in Canada why scare them away with this kind of talk?

Mr. Lennard: Oh, rot.

Mr. Fleming: Hand it to them on a platter.

Mr. Deputy Speaker: Order.

Mr. Hees: Where else would they invest it?

Mr. Pearson: Their attitude, Mr. Speaker, reminds me of the old English music hall ballad: "I forgive you, my dear, for dissembling your love, but why did you kick me downstairs?" There is no danger of our losing control in Canada of any investment in Canada in connection with any project under Canadian control, federal and provincial, as this one is.

A good deal of talk has occurred in this debate about the analogy of the Canadian Pacific Railway. There was a case of a Canadian enterprise being controlled, not in theory, but in fact, out of Canada, in London, and at a time when Canada was not a self-governing free country as she is now, but at a time when Canada was a colony ruled from Downing street. Did it stop our growth, politically and economically? It did not. Who says, then, that this trans-Canada pipe line project will stop our growth politically or economically, or sell us to any outside country?

Mrs. Fairclough: Now I have heard everything.

Mr. Pearson: It is just as well that we should stop talking, even the hon. lady from Hamilton, if it is not too much to ask, in a way which is going to disturb the inflow of needed capital into this country.

Mr. Hees: You were ahead last year.

Mr. Pearson: I take the hon. gentleman's interruption as a tribute to the fact that I am getting under their skin. Next year, $7,500 million will be invested, capital investment, in Canada, 23½ per cent of our gross national product. We shall not be able to find all that money in Canada. We must get some of it from outside, especially from the United States, if we are to maintain the development which we have begun—

Mrs. Fairclough: Let us get the $80 million, too.

Mr. Pearson: —unless we want to slow down the development; but let there be no suggestion, because we have had this $600 million worth of capital come into this country last year and maybe more next year, that that makes us a satellite.

This country, Mr. Speaker, Canada, in the councils of the world has won a reputation for frankness, for independence, above all, for courage in facing the problems of development and for energy to conquer them. Therefore, let us get ahead and pass this bill and take one more step in national development.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, some years ago when it was my good fortune to first speak to this house I happened to follow the Secretary of State for External Affairs (Mr. Pearson) and although I was a very junior member of this house I regretted the fact at that time, having just come in the same day as I did, and the Leader of the Opposition (Mr. Drew) and five others, that he had seen fit to make a narrow-minded partisan speech thereby projecting the Department of External Affairs into the realm of party politics. He is my personal friend but at the same time he is the gentleman who happens to occupy the position of Secretary of State for External Affairs and all I can say is that if the world is now dependent on three wise men of whom he is one then I hope they are following a star which is brighter than that which is leading the Secretary of State for External Affairs tonight.

Some hon. Members: Oh, oh.

Mrs. Fairclough: Aw.

An hon. Member: Can't take it, eh?

Mr. Nowlan: He is going to lose his bearings in this debate and also in international situations and I think we all regret the fact he had to intervene—

Mr. Hosking: Sour grapes.

Mr. Nowlan: My hon. friend says "Sour grapes".

An hon. Member: You are jealous.

Mr. Nowlan: I would like to see the Secretary of State for External Affairs go from the government of Canada to democratic assemblies throughout this world and say, "I represent a democracy". He cannot do it.

Mr. McCann: Says you.

Mr. Nowlan: That is why he spoke so forcibly and that is actually why he feels so bad about the situation. We are trying to maintain a situation in this parliament and we all have a personal respect for individuals in this house. Many of us have a personal liking as well as a respect for many on the other side of the house but this is a situation which transcends those things and tonight—it is now five minutes after eleven; no, six minutes after eleven, because every minute counts, every second counts—in one hour and 54 or 55 minutes we are going to have—

Mrs. Fairclough: The axe.

Mr. Nowlan: —the axe fall. Like the condemned man who has had his breakfast at midnight, we are going to hear the footsteps of the hangman coming down the corridor.

Some hon. Members: Oh, oh.

Mr. Nowlan: All right, I know that you can make these noises and perhaps one tends to be a little melodramatic but nevertheless that is the situation as many of us see it tonight, Mr. Speaker.

Two weeks ago tonight I happened to be speaking on the second reading of this bill. We had had interminable discussions about procedure but two weeks ago tonight when I raised a certain matter the Minister of Citizenship and Immigration (Mr. Pickersgill) said, "Defer that until you get to the committee stage and we will deal with it there." Where was the committee stage, Mr. Speaker? Clause 1; moved consideration be deferred. Clause 2; moved consideration be deferred. Clause 3; moved consideration be deferred; and tonight I heard the Minister of Citizenship and Immigration say it is the right of parliament—not of the people but the right of the majority of parliament—to decide what shall be and what shall not be done.

An hon. Member: That is right.

Mr. Nowlan: I grant that, under certain circumstances; but the Minister of Citizenship and Immigration is a student of history. I think he will remember what happened to the Long Parliament. He will remember how the members of that parliament said exactly the same thing, that it was up to the majority to control, until in the end someone came along and said, "In the name of God be gone; you have tarried here altogether too long."

That is the situation which perhaps confronts us tonight, Mr. Speaker, when we are dealing with this matter at this time, because we have gone through debate. As my hon. friend the member for Winnipeg North Centre (Mr. Knowles) pointed out tonight, this is not a debate on a pipe line bill as such. That was authorized five years ago. Those things were sanctioned by parliament and the franchise was granted by the Department of Transport five years ago. What we are considering tonight is not the operation of a pipe line as such but the financing of it by this parliament, which is an entirely different thing. What we are considering tonight is the—

Mrs. Fairclough: Loaning the money.

Mr. Nowlan: —loaning the money, as my friend the hon. member for Hamilton West (Mrs. Fairclough) says.

Mr. Diefenbaker: United States investment in reverse.

Mr. Nowlan: We are considering the fact that having authorized the franchise of Trans-Canada Pipe Lines Limited five years ago, and that company having made application to the board of transport commissioners and all the rest of it, we are now asked to provide the money for the project. Someone has said that we the opposition, the C.C.F. and this group, are delaying this matter—after five years!

Where are we tonight, Mr. Speaker? We are asked to provide the money. We started out presumably to build the so-called bridge across northern Ontario. We moved from that and now we have to loan millions of dollars for the construction of that portion of the line which these entrepreneurs, when they came before us five years ago, said was the easiest part. They said it presented no difficulties whatsoever and as a matter of fact neither did the northern Ontario line because even if the northern Ontario section cost more, think how cheap it was to build the line across the prairies and they could average the two. On the basis of those assurances the committee of this parliament and the board of transport commissioners gave authority to them to go ahead and now we are facing this situation tonight. It is really a ludicrous situation in many ways, because, as the member for Winnipeg North Centre pointed out, the pipe line has already been authorized, and as appeared in the press tonight from the pen of a distinguished Canadian columnist there is going to be lots

of gas to be transported in this country; we are simply laying the foundation of how it is to be transported and it is a most unfortunate thing that in this we should have bogged down in the way we have.

Why have we done it? Because before this measure came before parliament the executive saw fit to enter into an agreement whereby they said this shall be done by June 7. There was no reference to consulting parliament in the agreement or the passing of legislation by parliament. The executive said, this shall be done by June 7, and that was the thing with which this parliament was confronted when this bill first came into the house. I can say, without any fear of contradiction, there has never been a more indecent form of closure imposed upon any parliament in the world than that in the form of the agreement entered into by the executive with the United States tycoons before the executive brought legislation into the house.

I think I can say this. I notice the Minister of Finance (Mr. Harris) is not here at the moment, but I think I can say this as one Baptist to another. This Machiavellian Baptist on the other side of the house now says, "Well, my friend from Prince Albert (Mr. Diefenbaker) said in a radio broadcast—

An hon. Member: Another Baptist.

Mr. Nowlan: —that there was going to be a filibuster and the hon. member for Assiniboia (Mr. Argue) made a statement to the effect that a filibuster was going to be made." Those are not the reasons why closure was imposed; they have nothing to do with it. Closure was inevitable once this government, behind the backs of parliament and with no consultation with it, went ahead and entered into this agreement whereby June 7 became the date of execution by parliament. Make no mistake about that. They tied the hands of this parliament. When they hide behind certain indirect statements or direct statements which may have been made, then it simply shows the weakness of the case.

That is the only reason why we have closure at this time. My hon. friend, the Minister of Trade and Commerce (Mr. Howe) once said he had a crystal ball into which he gazes from time to time. Probably he gazed into the crystal ball and saw there was going to be some resistance to this in parliament. And why should there not be? If the opposition realizes its responsibilities, why should there not be? In addition to whatever may be said about the bridge across northern Ontario, we are called upon to lend $80 million to United states entrepreneurs so that they may build a pipe line across Canada whereby they can carry Canadian gas into the United States. That is the situation.

There have been many United States visitors sitting in the galleries in the past few days, and I hope there are some sitting here now. The other day a friend of mine was sitting in the gallery, and one of them was sitting alongside him. He was asking what this fight was all about. My friend said, "It is a question of a bill whereby the government of Canada is asking to borrow money whereby it can finance a company that is 83 per cent United States controlled to build a pipe line whereby Canadian gas ultimately can go into the United States." The American replied, "If they had the sense that God gave geese, they would be opposed to that." I think that is common sense. That is why some of this debate has gone on in the way in which it has.

Much has been said about the fact that there have been 14 days of debate. The hon. member for Eglinton (Mr. Fleming) dealt with that today. The time that has been given to the debate on this pipe line per se has been very much restricted. No one knows it better than my friends over here, the Secretary of State for External Affairs and the Minister of Citizenship and Immigration, who have a knowledge of history and some understanding of what I mean. If they had been sitting in this opposition—

An hon. Member: Where they should be.

Mr. Nowlan: I wonder what the Secretary of State for External Affairs would have said about this if he had been sitting here. I can imagine the fulminations, the speeches he could have made about this horrible, atrocious thing that a government was doing at this time and under these circumstances. That is why, when they talk for 14 days or 16 days or whatever it may have been, the opposition has been trying to develop, during the latter part of this debate at any rate, the rights of parliament itself. Those are much more important than the pipe line itself, important as it may be.

Why are we facing this step tonight? We were told from the beginning that there was a great need for haste. We were told that the steel necessary for pipe might be sold to the Arabians or somewhere else, that it was in such short supply that unless the parliament of Canada passed this bill by June 7 Trans-Canada Pipe Lines Limited might lose that steel. That was the only argument that has ever been advanced, as far as I can remember, for the passage of this bill.

Yet what did we hear this afternoon? What did we hear from the Minister of Finance? He said that for 14 or 16 days, or whatever

the number of days may have been, the government had been urging that the bill had to be passed because there might be a shortage of steel, but perhaps they were wrong and perhaps, looking at the economic situation, there would not be any shortage of steel. Perhaps there is going to be a depression; perhaps there is going to be unemployment. He suggested that there might be a surplus rather than a shortage of steel, that there might be unemployment rather than full employment and therefore we should pass this bill to provide employment for Canadians who might be otherwise unemployed if by chance there is a surplus instead of a shortage of steel. I suppose the minister has been so close to the United States entrepreneurs who have said, "Heads I win; tails you lose", that he said that if he could not be right in one way he would be right in the other. If they said there was going to be a shortage of steel and then there was a surplus; if they said there was going to be a tight employment situation and then there was a need for employment; the legislation should still be passed.

I wonder just what the government intended. I wonder what the Prime Minister thinks. A few moments ago the Secretary of State for External Affairs referred to this government as headed by the Prime Minister. The Prime Minister is one for whom all of us have a great deal of liking and had a great deal of respect, but I hold in my hand a statement from the Winnipeg *Free Press* with respect to that gentleman heading this government. I can quite understand why he has sat nebulously quiet, why like a chameleon he shifted from one colour to another and said nothing and did nothing. Apparently the government itself did not know what it was doing or what it was going to do. This is by Mr. Grant Dexter who certainly is no Conservative. Referring to this debate in the last few days, he said this in the Winnipeg *Free Press.*

> Through all of this hubbub, the most arresting figure on the government side of the house was Prime Minister St. Laurent. He sat, impassive, expressionless, chin in hand, an open book on his desk, silent.

An hon. Member: And dignified.

Mr. Nowlan: It goes on:

> His aloofness is almost unbelievable.
> Especially at a time of high controversy, Prime Ministers, regardless of who the house leader may be, always dominate proceedings and lead their own party. Mr. St. Laurent does neither.

That is a statement from one of the leading Liberal newspapers in Canada, if not the leading one. When my hon. friend, the Secretary of State for External Affairs, asks, "Can we not have unqualified and undoubted trust in this government led by the Prime Minister", against this I cite this statement of Mr. Grant Dexter and I ask him how the two may be reconciled.

I come from a province which is not directly affected by this pipe line. We are going to help pay the bill. We are going to get no benefit directly or indirectly from it. In fact, we are going to suffer detriment because of it, because when the gas flows, if it does—and we do not know how we are going to bridge the gaps or tie them together—but assuming by some legerdemain they can do that, then the coal miners in Nova Scotia, my province, are going to suffer because of this bill. I say that notwithstanding the fact that they say this pipe line has to be built, it had better all be built by the government rather than built of this conglomeration of misfits and misjointed pipes such as we have at the moment.

In addition to that, Mr. Speaker, I come from a province that produced another Howe, Joseph Howe, the leader of the Liberal party of Canada, the one who objected to agreements made behind the back of parliament, the one who opposed the family compact, that which the Minister of Trade and Commerce (Mr. Howe), the Minister of Finance (Mr. Harris), and the Prime Minister (Mr. St. Laurent) personify today, the one who established responsible government in Nova Scotia because he fought those very same things that our friend, the Minister of Trade and Commerce, today personifies. So the wheel has come full circle, Mr. Speaker. We have the Joseph Howe of 100 years ago who established the Liberal party in this country now being confronted by the machinations of the C. D. Howe who controls the Liberal party in this country today. Dust to dust, ashes to ashes and Howe to Howe, Mr. Speaker.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, when the famous Canadian novelist, Lionel Shapiro, returned to Canada a month or two ago he wrote a special editorial for *Maclean's* magazine. He said that Canadians were too dull, that we never got excited, that in particular the parliament of Canada, the House of Commons of Canada, was dull as dishwater, that nobody ever lost his temper and that it would be a very good thing for the parliament of Canada and for the whole of Canada if somebody got excited once in a while in the House of Commons of Canada. On June 1, which was last Friday—

An hon. Member: Black Friday.

Mr. Philpott: Black Friday for my friends opposite. On June 1 last, black Tory Friday,

Northern Ontario Pipe Line Corporation

the London news service carried the following cable reporting the comments on Canada of the famous novelist, J. B. Priestley, as found in the Ottawa *Journal* and other papers:

> The average Canadian was beginning to feel frustrated and was experiencing a desire to express his Canadianism. These "wary, dubious, rather shy and withdrawn" people, struggling to assert their individuality, needed to have "their temperature raised".

That was written at about the same time last Friday when my hon. friends opposite were in the centre of this house. I am going to try tonight not to raise anybody's temperature but although I may have something very nice to say a little later about my old personal friend, the Leader of the Opposition (Mr. Drew), I have to set him straight on his history because I am afraid that the same history professor that we both sat under, the late Professor George Wrong, would not have thought too much of the ideas he was giving about Gladstone last night when he was holding up Gladstone as a man who was against closure. The way I read the history books and as I was taught by Professor George Wrong—

Mr. Drew: Mr. Speaker, on a question of privilege—

An hon. Member: Wait till after.

Mr. Drew: —I am not going to have history rewritten in this way because the quotation I gave from Gladstone written in 1878 had nothing to do with closure but had to do with the legitimate demand for the dissolution of parliament when a condition arose in which there was no justification for parliament continuing.

Mr. Philpott: I am glad to see that the Leader of the Opposition, like the Minister of Trade and Commerce (Mr. Howe), can make a correction too.

Mr. Knowles: Newspaper columnists might do the same.

Mr. Philpott: It is very clear if we study the history of closure and how we got closure, and it should be clear to my hon. friends opposite, including the hon. member for Winnipeg North Centre (Mr. Knowles) who certainly knows better although he has pretended not to in this debate, that the great old mother of parliaments, the country that gave the parliamentary system to all of the democracies in the world, applied the first closure in the whole British commonwealth in the year 1888, and applied closure then after about five or six years of deliberate sabotage of the parliamentary system by the Irish nationalist party led by the great Parnell. But with all the great tricks of obstruction which Parnell used and which forced the institution of closure in the British parliament, I think that even Parnell never brought up anything such as the obstruction twins, the hon. member for Kamloops (Mr. Fulton) and the hon. member for Winnipeg North Centre (Mr. Knowles) have brought up.

Mr. Knowles: What a Liberal.

Mr. Philpott: So, Mr. Speaker, I ask permission to put on the record, in the same way that the hon. member for Prince Albert (Mr. Diefenbaker) did, a much shorter table than he put on the record a few minutes ago. I ask permission to put on the record a brief statement giving a complete analysis of the number of closures in the last seven sessions of the British parliament from 1948 to 1955 inclusive.

Mr. Fulton: What is your source?

Mr. Knowles: What is the source?

Mr. Deputy Speaker: Order. Has the hon. member unanimous consent?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Deputy Speaker: Order. As there is not unanimous consent the table may not be placed on *Hansard*.

Mr. Philpott: I take that as an example of exactly the kind of courtesy we have in this house.

Mr. Knowles: I rise on a question of privilege.

An hon. Member: Oh, sit down.

Mr. Knowles: There is never any denial of consent to put tables on the record if their source is given. The hon. member has made up this table himself.

An hon. Member: Oh, listen for a change.

Mr. Philpott: I will now give the figures which the obstruction twins will not permit to be put on the record.

Mr. Fulton: Your party put on closure.

Mr. Philpott: In the 1948-49 session, from October 26, 1948, to December 16, 1949, there were 15 closures by agreement and four closures not agreed to, that is, opposed by the opposition, or a total of 19. In the 1950 session, from March 1, 1950 to October 26, 1950 there were eleven closures by agreement and two closures not agreed to, a total of 13. In the 1950-51 session, from October 31, 1950 to October 4, 1951 there were 23 closures by agreement and 11 closures not agreed to, a total of 34. In the 1951-52 session, from October 31, 1951 to October 30, 1952 there

were 50 closures agreed to. I point out, Mr. Speaker, that it seems there was a sudden rise after the Churchill government took office. There were also ten closures not agreed to, or a total of 60. In the 1952-53 session, from November 4, 1952 to October 29, 1953 there were 20 closures by agreement and seven closures not agreed to, a total of 27. In the 1953-54 session, from November 3, 1953, to November 25, 1954 there were 23 closures by agreement and 7 not agreed to, a total of 30. Finally, in the 1954-55 session, from November 30, 1954 to May 6, 1955 there were six by agreement and four not agreed to or a total of ten.

For the seven years there is a total of 148 by agreement and 45 not agreed to, or a grand total of 193. Therefore when my hon. friends opposite have the unmitigated gall or colossal ignorance to say in one and the same breath, why do we not have British fair play in this house, why do we not follow the British system, how ignorant can they get or how deceptive can they be?

Some hon. Members: Hear, hear!

Mr. Knowles: Tell us what the Canadian practice has been.

Mr. Philpott: Let us look at the British rules. At page 23, rule 29, we find the rule on closure of debate and it shows very clearly that any member, not just a cabinet minister giving 24 hours' notice as here, may move closure at any time and provided that motion passes by a majority, which includes 100 members of parliament, closure is effective immediately.

Mr. Knowles: Read the qualifying clause.

Mr. Philpott: I am making my own speech.

Mr. Knowles: Read the qualifying clause.

Mr. Philpott: The hon. member for Winnipeg North Centre (Mr. Knowles) has been obstructing this house for six months and his time is up.

Mr. Knowles: You omitted the part about what happens when the closure motion appears to the Speaker as an abuse of the rules.

Mr. Deputy Speaker: Order.

Mr. Philpott: Just a minute, your time is coming. About 10 days ago in this house you could have been saved from your folly if you had heeded the wisdom of the wise old man in your party who dragged himself from his sick bed and tried to tell this house that they were on the wrong track; who said he believed in closure and that we had to get back on the track somehow. When the Prime Minister (Mr. St. Laurent) almost immediately accepted that suggestion in the spirit in which it was given, without one moment's hesitation it was rejected by the Leader of the Opposition (Mr. Drew) and my hon. friends opposite.

Mr. Knowles: What a distortion.

Mr. Stewart (Winnipeg North): Hans Andersen.

Mr. Philpott: I understand that the real objection of the C.C.F. is, of course, that closure is all right if it is done 148 times in Britain by agreement—

Mr. Nicholson: How many times in Canada?

Mr. Philpott: —and 45 times by non-agreement, a total of 193 times. I understand that my hon. friends opposite claim that closure in this case was too soon, or that the debate was choked off too soon. I have here in my hand *Hansard* of March 15, 1956 on the very first day that the very first pipe line resolution was introduced into the house. As reported at page 2162 we find this:

> Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That was the resolution on the first pipe line bill. There is the first motion. Right off the bat every C.C.F. member who is sitting across there tonight voted against that resolution to introduce the first pipe line bill into the house. Let us remember who were the men who voted against it, and they were the only ones in this whole house in any of the three parties. They were:

Argue	Johnson (Kindersley)
Barnett	Jones
Bryce	Knight
Bryson	Knowles
Cameron (Nanaimo)	McCullough (Moose Mountain)
Campbell	Nicholson
Castleden	Noseworthy
Coldwell	Regier
Ellis	Zaplitny
Gillis	
Herridge	

Mr. Knowles: Knowles is still against the bill.

An hon. Member: We are still opposed to it.

Mr. Philpott: A few pages over we see what happened on that day and we have seen what has happened since and how my hon. friends the Tories since that time have been led down the garden path by their new allies. Here is what my hon. friend the Leader of the Opposition (Mr. Drew) said about that gesture at that time as reported at page 2171 of *Hansard*:

> Mr. Drew: Mr. Chairman, we supported the motion that the Speaker leave the chair, not because we approve of the motion now before the committee but because we wanted an opportunity before this committee to indicate why we think this resolution should be opposed.

Some hon. Members: Oh, oh.

Mr. Drew: In view of the comments from hon. members to my left I would point out that nothing is gained by the silly gesture they made this afternoon.

I would suggest therefore that although the C.C.F. opposition have said that we had closure too soon, if they had had their way we would have had closure before one single word was allowed to be said by any member of any party in this whole house.

Mr. Speaker, we have seen in this house in this past few weeks scenes which would better be forgotten as quickly as possible. We have had protests raised about the death of parliament and all that sort of tommyrot. I do not believe there is an hon. member in any part of the house who thinks so, including hon. members in the two parties or the parts of the two parties that oppose this bill, because I think we should never forget that it is only part of the two parties which have opposed this bill, and that the whole Frost Conservative government has supported the government in this matter and is still supporting the government in it and of course the Conservatives' own oil and gas expert, the hon. member for Calgary South (Mr. Nickle).

Mr. Pallett: On a question of privilege, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Philpott: Let us remember, Mr. Speaker, why there was disorder.

Mr. Pallett: On a question of privilege—

Mr. Nicholson: This is a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: Order. Do I understand that the hon. gentleman is rising on a question of privilege?

Mr. Pallett: Yes.

An hon. Member: A fraudulent one.

Mr. Pallett: Having regard to the statement about the whole provincial Conservative party, I would direct the hon. member's attention to today's press.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order.

Mr. Philpott: Mr. Speaker, I hope that you are not docking my time as a result of the obstruction tactics of the hon. gentleman opposite.

An hon. Member: Talk all night.

Mr. Philpott: We saw tonight quite a demonstration of the great histrionic abilities of the hon. member for Prince Albert (Mr. Diefenbaker). But the hon. member for Prince Albert has one great weakness as a politician. He has a great faculty of letting the cat out of the bag too soon. On March 10, in a radio broadcast, five days before the first bill was ever introduced into the house, this is what he said:

> The defence production filibuster, highlight of the 1955 session of parliament, will look like a "skirmish" alongside planned Progressive Conservative opposition to the trans-Canada gas pipe line bill this session, John Diefenbaker said Friday night.

I would mention the hon. member for Assiniboia (Mr. Argue) but he is not here. He is elsewhere and has been all through this debate. I will therefore let that matter skip.

Mr. Knowles: He is out with the Minister of Agriculture (Mr. Gardiner).

Mr. Philpott: I say that all of the obstruction that has occurred in this house was deliberate and planned obstruction and that all of this great wail that is going up now about the loss of rights was the inevitable result of what was planned by hon. gentlemen opposite. Mr. Speaker, it seems to me that democracy cannot function—

Mr. Lennard: It has not been functioning for the last couple of weeks.

Mr. Philpott: —unless there is a full opportunity for fair discussion and free debate;—

Some hon. Members: Hear, hear.

Mr. Philpott: —and unless the majority is willing to respect the rights of the minority,—

An hon. Member: They have not done so.

Mr. Philpott: —and to allow the minority to advance all of the arguments they have to advance. I will submit to hon. gentlemen opposite that they would be much farther ahead in this debate and certainly much farther ahead in the respect of the people of the country if, instead of carrying on the obstruction tactics which they have been using in the past several weeks, they had debated the merits of public ownership versus private ownership or who was going to build the pipe line.

Mr. Lennard: Oh, sit down and write your column.

Mr. Philpott: Mr. Speaker, every hon. member in every part of the house who had any point of order to raise was given every possible chance to raise that point of order.

Mr. Knowles: That is not true.

Mr. Philpott: So long as hon. members opposite were willing to act as Her Majesty's loyal opposition they had every right that is

granted to them in this and every other British parliament. But when they chose to pervert their points of order to points of deliberate disorder, we had the chaos that we had last Friday afternoon.

I would say just this in closing, Mr. Speaker. I am not going to make any personal references, but I would like to say a word concerning the unfortunate incidents that occurred to one member from Tory Toronto. Of course, there have been Toronto members here who were, shall we say, given a leave of absence from this house before now. I am not even going to say anything about the terrible use or abuse of the most sacred symbol of a country, the flag of this country, which was draped on the desk of a man who had broken the most fundamental rule of this house. But I would say this.

Mr. Lennard: Time.

Mr. Philpott: If for any reason—

Some hon. Members: Time. Order.

Mr. Philpott: —my hon. friends opposite bring out a flag again for that kind of thing, let them bring out the right flag for the occasion. Let them bring out the skull and crossbones, the black and white flag of piracy.

Mrs. Fairclough: Mr. Speaker, on a point of privilege—

Mr. Deputy Speaker: I am recognizing the hon. member for Nanaimo (Mr. Cameron), but do I understand the hon. member for Hamilton West (Mrs. Fairclough) is rising on a point of privilege?

Mrs. Fairclough: Yes, Mr. Speaker. I take great exception to the remarks which have just been made. There are times when the only answer to actions which have been taken in this house is to display the great symbol of democracy and for that action I make no apology.

Mr. Colin Cameron (Nanaimo): I cannot hope, of course, to compete with the oratory of the hon. member for Vancouver South (Mr. Philpott) but I can start with a complete reading of a clause in the British rules of procedure which he omitted. He read part of that clause, but he very carefully omitted this:

> After a question has been proposed a member rising in his place may claim to move that the question be now put, and unless it shall appear to the chair that such a motion is an abuse of the rules of the house or an infringement of the rights of the minority the question shall forthwith be put.

I can understand perhaps the hon. member deciding, in the light of certain things that have happened recently, that such a clause is totally irrelevant to this house.

Since we have heard many great authorities on parliamentary procedure, Mr. Speaker, I want to place on the record a very humble authority, no one of any great distinction particularly. He is Dr. Arthur Beauchesne who today in the Toronto *Star* has expressed his views about this government and the manner in which they have treated parliament. I put it on the record now:

> The government had invoked closure too soon, before the debate even started, Mr. Beauchesne said. "They should wait until questions have been debated two or three weeks, then give notice of closure." He also described as incorrect Right Hon. C. D. Howe's device of postponing "further discussion" of clauses in committee stage—when there has in fact been no discussion.
>
> Correct procedure would have taken time, he admitted, "but if we are going to sacrifice parliament to build a gas pipe line from west to east, then I say to hell with the gas."
>
> As if aroused by his own words, he exclaimed: "Our freedom was won in England, on the battlefields; they beheaded Charles I because he interfered with parliament. Are we to go back now to Runnymede?"

Let my hon. friends on the other side who claim that they have been behaving within the rules of parliamentary procedure eat that, swallow it and digest it.

Mr. McIlraith: He was the Tory candidate in the last election.

Mr. Cameron (Nanaimo): I do not care what kind of a candidate he was. He is an accepted authority on parliamentary procedure, except perhaps by these witlings on the other side of the house who are understandably infuriated because they did not have a single member capable of debating points of order. The other evening a man said to me that this was most extraordinary. He had never before seen a hockey game in which one side relied on the referee to shoot all the goals for them.

I am very sorry that the minister of external affairs, after having favoured us with a rather irrelevant speech tonight, has left his seat because I should like to ask him to take the statements of Dr. Arthur Beauchesne and read them in conjunction with a particular paragraph of the North Atlantic treaty, a paragraph of which we are told this particular minister is singularly fond. I refer to article 2 which reads:

> The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

I commend to the minister of external affairs this very favourable article of his

and suggest that he read it in conjunction with Dr. Arthur Beauchesne's very vivid comments on the manner in which this government has prostituted parliament.

I want now to deal with the silly and ridiculous—I was going to say something unparliamentary—the silly, ridiculous, unfounded statement that is repeated again and again from the other side of the house to the effect that there has been plenty of time given for this debate and it is only the obstruction of the opposition that has prevented it.

Mr. Pickersgill: Perfectly true.

Mr. Cameron (Nanaimo): Their justification for bringing in closure, as Dr. Beauchesne has said in defiance of parliamentary procedure, has been based on two things. The first is the arbitrary date of June 7, agreed to by the government without consultation with this parliament, and the other is the statements by the hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Assiniboia (Mr. Argue) that there was going to be a strong vigorous opposition to this measure when it came to the house. Now, sir, I suggest to you that any government, having been told months before that there was going to be vigorous opposition to one of their measures, if that government had the slightest consideration of the decencies, the rights and properties of parliament, they would have seen fit to bring this measure in as soon as possible.

What happened? On January 10 it was foreshadowed in the speech from the throne. Then, we heard no more about it for almost a month. On February 6 a resolution was placed on the order paper. Then again it was put on ice for more than a month, about five weeks. Finally this resolution was brought before the house on March 15 and debated briefly at that time. Then on May 9—nearly two months had again elapsed before they brought this measure that they are so anxious to pass and for which there is so little time to debate—they brought it back to us. Then, they complain because in the 18 sitting days much of the time has been taken up by procedural disputes. I suggest to them that Dr. Arthur Beauchesne probably realizes the real nature of that fight. It was a fight to preserve the rights, the dignities and proprieties of parliament. This has been a fraudulent argument presented to the Canadian people deliberately to deceive them into believing that the opposition was given plenty of time but through sheer obstructionism were blocking discussion of this bill, when the record shows that this government had this measure in mind as far back as January 10. They delayed for a month before putting it on the order paper; they delayed another five weeks before finally bringing it up for discussion, and then they delayed for two months before bringing it before parliament. What a nonsensical delay! Do they think the Canadian people are going to believe them? They are going to believe that there was something that this government wanted to hide, that they did not dare have discussed.

Mr. Dufresne: They are still hiding it.

Mr. Cameron (Nanaimo): They are still going to believe, and they are going to be right, that this government was determined that no questions would be asked on it. Therefore, the Minister of Trade and Commerce took the course that has been so roundly condemned by Dr. Beauchesne. They did not want to answer any questions. Quite rightly, we have been asking certain questions here and there has been no answer from any government member, not even from the eloquent Minister of National Health and Welfare when he rose to speak, nor from the equally eloquent Secretary of State for External Affairs when he delighted us this evening. One would perhaps not expect that either of these gentlemen could be expected to know much about it, but I would think that the Minister of Finance might have known enough to answer, and certainly the Minister of Trade and Commerce would.

The questions that have been asked them and to which we have had no answers are these: Has the government any firm undertaking or guarantee and, if so, why has it not been presented to parliament, that the Trans-Canada Pipe Lines company will build the stretch from Winnipeg to the Ontario border and from Kapuskasing east? Nothing that has been presented to this house indicates that there is any firm undertaking on the part of that company to build that part of the line. If the government have a firm undertaking, then why have we not been told of it, why has it not become part of the schedule to this bill and why has it not been presented to parliament?

Last night when the Minister of Finance was playing so engagingly the Merry Andrew he did not bother to answer these questions. They were beneath his dignity; they were not important at all. All he was interested in was scoring sophomoric points on various members of the opposition.

Mr. Harris: I enjoyed myself, if you did.

Mr. Cameron (Nanaimo): He engaged, I noticed, Mr. Speaker, in a discussion on the rise of nazism, arising out of some statements from the press that were placed on the record

by my friend, the hon. member for Rosetown-Biggar (Mr. Coldwell). I have not had time to go back and read all the history of the advent of the nazis to power. It may be that the minister is right. I do not know, for instance, sir, whether the nazis found it necessary to take the speaker of the Reichstag, to break him on the wheel of government necessity, to strip him of all dignity and decency and to toss the corpse back to the chair and pretend that everything was as it had been before. I do not know that they did that, but I do know of something they did. I do know that they also took an old man full of honours, a national figure, a hero to his people, and they befuddled that old man and they stripped him of honour and dignity and used him as a stalking horse for their assaults on the freedoms of the German people.

We are going to build a pipe line? Why? We were told quite pointedly the other night that we were going to build a pipe line as a monument to a stubborn, determined old man who wants to snatch some measure of immortality before he shuffles off the scene.

Mr. Howe (Port Arthur): On a question of privilege, you praised me highly last night. What has happened in between?

Mr. Cameron (Nanaimo): The qualities I have attributed to you tonight are in no way inconsistent with your former abilities, in no way inconsistent at all. No, we are going to build a memorial to this stubborn, ruthless, determined old man, this modern Ozymandias, king of kings. Look on my works, ye mighty, and despair. We may well despair, Mr. Speaker, about some of the evil works upon which this particular monument is going to be raised. I would suggest to the minister that it would have been better for him to have bought a tombstone.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, in rising to speak on the 17th day of this debate, I realize that I cannot reach the heights of forensic eloquence of the two great orators from British Columbia who have preceded me tonight. However, I hope that in my speech tonight I shall not indulge in any personalities and that I will not arouse the heat that might have been aroused earlier in the debate.

In the earlier part of the debate, Mr. Speaker, I have been impressed with the remarks of the hon. member for Calgary South (Mr. Nickle). From the time that he came to this house the hon. member for Calgary South gave evidence that he was probably the best informed member in the House of Commons on oil and gas issues, and he was recognized as such in all parts of the house. His opinions were valued by the colleagues who sit in his group, but recently a change has taken place in the attitudes of his colleagues. During the course of his remarks, the hon. member for Calgary South pointed out to hon. members the many new discoveries of gas and oil which have taken place in the province of Alberta. He has explained to the house that year after year a great surplus of gas and oil has been piling up in the province of Alberta, on account of lack of markets, at the average rate of 4,000,000,000 cubic feet a year. It is his estimate that $150 million has been invested by Canadians and foreign investors to explore, to investigate and to develop wells producing high-value oil and the resultant amount of gas. The $150 million which has been invested by those Canadian and foreign investors is now carrying interest which is not only a great burden to the larger companies but is also pressing some of the smaller companies.

Last year I had the personal privilege of going to the northern part of Alberta and while I was there I was flown into the Pembina oil fields. I had the opportunity of standing there and seeing one of the derricks erected. I saw some of the wells that were in operation, and on one corner of this particular field we saw a head of gas probably 15 feet to 20 feet high. I said to the engineer in charge: "What are you doing there?" He said: "We are burning off the surplus gas because we have no way of exporting it to eastern Canada. We are burning each day in this particular spot enough gas to heat the city of Toronto for one day." It is my submission, Mr. Speaker, that this country cannot afford to expend energy; to waste a valuable commodity for any great period of time. I say we should proceed with this scheme because each year that passes $25 million more is required to build the line.

This bill proposes a short-term federal loan of $80 million at 5 per cent for 90 per cent of the cost of the construction of the trans-Canada pipe line to Winnipeg. It is admitted that Alberta has a great surplus of gas. They have realized within the last year or two that there is no fear of shortage. Premier Manning has now issued a permit to export 584 million cubic feet of gas a day.

I think we must see that this surplus is used, that it is not sealed up in the earth or, worse, burned off as is being done in the situation I alluded to a moment ago. We are told the city of Winnipeg needs gas badly and must have it this year. Ontario needs gas. Because of the great industrial expansion we have had in Ontario in the last 15 years we have a need for greater energy in the banner province of Canada. I think I am permitted a licence to make that statement

because I come from that province. We have shown great industrial expansion in Ontario and have used up to a great extent our electrical energy and we now must turn to other sources of energy.

I would like now to refer to Ontario Hansard of February 21. At page 389 of the proceedings the Hon. Leslie M. Frost, premier of Ontario, had this to say on February 21, 1956:

> We think there has never been, since the building of the Canadian Pacific Railway, the great opportunity to do an outstanding job for our country as there is at present.
>
> The federal government has, in its wisdom, negotiated the agreement with Trans-Canada Pipe Lines Limited, and no doubt the consummation of this deal was premised upon our participation in the building of the northern Ontario section.

I submit it is good for us to commence the section of the line which will extend from Alberta to Winnipeg.

Again at page 390, Mr. Frost, speaking in the Ontario legislature, had this to say:

> Undoubtedly, northern Ontario was benefiting, as undoubtedly was our province generally, since we represent half the industry of Canada and have one-third the population. Obviously Ontario should not back away from a proposition of that sort. I do not think we could afford to do business that way.
>
> We have taken a generous view with the federal government, recognizing their position in this matter has not been simple or easy. I have no intention here of making it more difficult for the federal government to carry its arrangements through. If I did that, I would be doing a disservice to this country.

If Mr. Frost would be doing a disservice to this country in putting bars in the way of this scheme, then I submit that as a member of this house representing the constituency which I have the honour to represent I would be doing a disservice to this country if I did not support third reading of this bill.

I should like to refer to a meeting held at Niagara Falls, Ontario, on May 25 last. This meeting was addressed by the Hon. Dana Porter, treasurer of the province of Ontario. The meeting was reported in the May 26 edition of the Toronto *Daily Star* the day following the meeting and the Toronto *Star* reports the meeting in this manner:

> Mr. Porter stood flatly behind the Liberal government in Ottawa and took a position opposite to that of the national Progressive Conservative leader, George Drew on the subsidization of U.S. interests to construct the trans-Canada pipe line.

Mr. Porter was further quoted as saying, and I cite his words:

> As a provincial government we are satisfied that a supply of natural gas is essential to the exploitation of the future and we feel that a delay of that supply would be a detriment to our own success.

Mr. Speaker, if these are the opinions of the premier of Ontario and his provincial treasurer—men who have good knowledge of this matter and I am sure they must have—then I believe it is right that this government co-operating with them should see that opportunity is given to extend the western leg of this line.

Later in his address at Niagara Falls, Mr. Porter pointed out that the 30-inch pipe line will carry energy equivalent to 8 million tons of coal and the very nature and quality of the fuel makes it of great value, particularly to the province of Ontario. Well, Mr. Speaker, that is why the premier of Ontario and his government are ready to put up $35 million for the northern leg of the pipe line which extends across the northern part of our province. They are willing to extend the time under which the arrangement could be made in order that we could provide that line. We must be ready next spring to join in a partnership with the province of Ontario in order that we can assist them to do this job. It should be borne in mind that Trans-Canada Pipe Lines Limited has already provided $14 million and they will provide another $7½ million which will boost their total investment in this enterprise to $21 million.

I have mentioned the words of Premier Frost with regard to northern Ontario. This line will pass through such centres as Kenora, Port Arthur and Fort William, Timmins, Kapuskasing, Kirkland Lake and North Bay. Here a great industrial development awaits the people of northern Ontario and the domestic users as well will have the opportunity of using this gas. They will have a fuel which will substitute for a fuel which they now import from the state of Pennsylvania in the United States of America and they will get it at a lower cost.

So far as southern Ontario is concerned the line has already been built. From the Niagara river at Queenston crossing the counties of Lincoln, Wentworth, Halton, Peel, York and extending into the city of Toronto, Tennessee gas is flowing through a pipe line that was laid last summer. This gas is being purchased by the Consumers Gas Company of the city of Toronto for use by consumers in the city of Toronto and other consumers along the way in Niagara Falls, Welland, Grimsby and Hamilton. It is the intention of this company to block up the pipe line at the international boundary in the Niagara river and bring in Alberta gas from the opposite direction when the remainder of the line is completed. I am sure the citizens of Canada will agree that due haste should be taken to see that at the earliest possible

moment in this great industrial sector of Ontario we are using Alberta gas rather than Tennessee gas.

On May 21 the Minister of Finance (Mr. Harris) spoke in this house and I was impressed with the fact that he felt great expenditures would take place in the development of the project. The building of the line itself, installations in consumers' homes, installations of equipment in industry and installations in various municipalities will run to over $1 billion in the next five years. If this gas is to be capped and used —and I am sure that it will—and if the companies sell their product at a profit—and I am sure that they will—then the federal treasury will profit to the extent of about 45 per cent of the profits received.

Those of us who live in the Niagara peninsula have already realized the business developments in that area. The hon. member for Welland (Mr. McMillan), speaking in this house earlier this evening, has pointed out to you that Page-Hersey Tubes have already a $10 million mill under construction. They propose to manufacture pipe for 150 miles of line from Sarnia to Port Credit. In addition to that, Welland Tubes Limited will manufacture the 30-inch pipe for the nothern Ontario section of this line. This cannot help giving employment not only to these particular industries but to other subsidiary industries in that area, and it will mean that industries coming into that area will provide a great impetus to business in the whole Niagara frontier.

During the course of this debate and in the newspapers of the country, we have heard a great deal about closure in the past few days. I think that a number of our people are of the opinion that we have closed the mouths of the opposition members. Members have said in this house that they have been gagged, that freedom of expression is at an end, that parliament has died. Those are some of the expressions that have been used. Last evening I thought I would look at the record of the proceedings in the house since May 10 last.

Yesterday the Minister of Finance made certain statements regarding the time expended by certain particular members. I have not counted those figures but I know that this house has been in session on this debate for 17 days. During those 17 days, up to last evening—and I think that during the course of the debate today honours have been fairly well divided—the members of the official opposition party have spoken 82 times, and members of the C.C.F. group have spoken 58 times, for a total of those in opposition to this measure of 140 speeches. In perusing the debates I noted that Liberal members had spoken 52 times during the debate, Social Credit members 11 times, and one independent member has spoken in the debate, making a total of 64 speeches in the 17 days of debate.

So I feel that the rules have not closed the mouths of opposition members. Whilst it may be said that a great deal of this time was taken up in procedural matters and discussion of matters with the Chair, nevertheless an opportunity was given during those 17 days to discuss the merits or demerits of this bill. I think that the opinion should not go abroad that we have endeavoured to stop, obstruct or deprive any member of this house of having an opportunity to speak on this measure. Rumour has it that during the latter part of this evening a flag incident will appear in this house. All I can say is that we have had one flag incident; let us have no more.

I stand at this time speaking on the bill providing for the development of a trans-Canada pipe line. I hope that before too many years have passed we shall have many other bills dealing with gas pipe lines in this country because I can foresee that the development of this line will promote such expansion of industry and business throughout the country that we shall need other branch lines to complete the job.

Mr. E. D. Fulton (Kamloops): I have been in this house now for 11 years, since the year 1945, during which time I have had fully confirmed, and indeed heightened, the love and admiration which I have always felt for this institution of parliament; but never did I expect to see, and never before have I seen, such an iniquitous piece of legislation as is now before us. Nor did I ever expect to see, and I hope never to see again, such strong-arm tactics as have been used in the attempt to ram it through.

What we have seen, during the whole course of time in which this bill has been before the house, is a spectacle of a government motivated by fear, confused by doubt and dictating by force. What we are presented with in this bill and in the course which has been followed is an example, in its most crystal-clear form, of an attempt to subvert parliament to the will and purpose of a government in order to meet a self-imposed deadline accepted by that Canadian government in order to meet the wishes of a company dominated by United States interests.

I say to you, sir, and I say to the Prime Minister and the government, that the Canadian people resent very deeply that their parliament should have been used in that

manner and for those purposes. I have said that we have seen a spectacle—and we still see that spectacle—of a government motivated by fear, dictated to by fear, in the tactics that they have followed in this debate, and still lacking the moral courage to take the issue to the people.

We were told at the outset, we have been told again tonight and we have been told on numerous occasions during the course of this debate, that closure was being applied, the rights of parliament to discuss and debate were being cut off, because of two speeches which forecast a fight, made outside the house by members of the opposition. What a spectacle we have. There is the government—they are not all here tonight because apparently they are ashamed even to witness the final passage of their own measure by the methods they have adopted—but there they are, a government with the support of 170 members, with a majority of approximately 100 over all other parties in the house. What a picture—there they are, panic-stricken, motivated by fear, because of two speeches made outside the house. We and the C.C.F. party have only 75 members against this monolithic structure of 170. Yet we are told that because two members made speeches outside the house they were so afraid of what we might do inside the house that they had to apply closure at the outset.

Fear is an ugly motive, and ugly motives produce ugly results. That is what has happened in the course of this debate: closure at the outset and at every stage of the debate, closure of a vicious type never before used in the history of this parliament or any other parliament, because they were afraid.

We have been told, the Canadian people have been told so often by spokesmen for this government, that this is the only party that can govern—

Some hon. Members: Hear, hear.

Mr. Fulton: —that these people sitting over there are the only party that can govern. Look at them. There they sit. They cannot even govern by unparliamentary methods, let alone parliamentary methods. They could not even get the closure motion, their iniquitous motion backed solidly by every one of their members and the Social Credit members, through the house in one day. It took them a day and a half to complete the murder of parliament.

And today they have raised or attempted to raise, by the words of the Minister of Finance (Mr. Harris), another spectre, another fear to hang before the Canadian people, the fear of a possible depression.

Mr. Casselman: Do not shake your head.

[Mr. Fulton.]

Mr. Fulton: This is the Minister of Finance whose budget was predicated on the assumption that we were in for an inflationary boom, this is the Minister of Finance whose fiscal instrument, the Bank of Canada, has been and is pursuing policies which can only be appropriate if they are designed to head off or to minimize an inflationary boom, this is the man who stands up today and tries to justify this absurd measure by another resort to fear, the fear of a depression.

Well, sir, this wonderful, monolithic government, having been panic-stricken by two speeches made outside the house, having adopted the ugly course that they did as a result of that fear, and having done their best to frighten the Canadian people by holding over them another bogey, this government of bogus men, bogeymen, now see only one other obstacle to the accomplishment of their desires. That obstacle we all know, and we all have respect for it. It is the Senate, composed in the main of elderly men, distinguished men, many of them, but those who can be counted upon there to oppose the government's desire number, in the opposition, at the most six elderly gentlemen.

This government, once again motivated by panic, has tried to eliminate even that last obstacle by thrusting down the throat of the other place, even in anticipation of the debate, a change of the rules so that these men will not have a chance to thwart the wrongful ambitions of this government. What a shameful process—

Mr. Diefenbaker: That is reform of the Senate.

Mr. Fulton: —dictated by unreasoning fear and an unreasoning desire to dominate every part of this country, including every part of the legislative processes of this country. There they sit, 170 men who cannot govern by parliamentary methods or unparliamentary methods and have now even guillotined the Senate.

Sir, resorting to closure in advance of debate and at every stage of debate here, and now in advance of debate in the other place preparing for the guillotine there, why, sir, what a shameful comparison that makes with the past history of this country and with some of the other great men who have sat here and some of the other great governments who have contributed to the welfare of Canada. Sir John A. Macdonald, with far smaller majorities, passed bills having even greater import for the people of Canada. In the over-all picture it took him some five years to accomplish his designs for the building of the railway. Did he ever resort to

closure, although he had a much smaller majority? Or take the Criminal Code, a bill of some 700 sections, which has stood, by and large, the test of time for some 70 years,—that was enacted in those days, but they did not have to resort to closure. They did not have the majority of this government which we have been told is made up of the only party that can govern.

But this bill, sir, under this party which says it is the only party that can govern Canada, has been guillotined more often and more viciously than any other piece of legislation in the history of Canada. That is the way the Liberal party governs Canada today, and the only way it can govern.

And so we have the spectacle, and the Canadian people see the spectacle of the government—if we are to believe their own word that they introduced closure because they were afraid of what the opposition might do, and that is what they said—quaking in their shoes because of two opposition speeches made outside parliament, a spineless government, sir, an eviscerated government which has not got the courage to rely upon parliamentary methods.

But while we resent what is being done, still when we look at who is responsible for it—and there are three men primarily responsible, the Minister of Trade and Commerce (Mr. Howe), the Prime Minister (Mr. St. Laurent) and the Minister of Finance—I think we can say and say fairly that we should not make the Minister of Trade and Commerce the target of our main criticism over what has happened to parliament. With respect to parliament, that minister does not know what he is doing. He is completely in character. Here is the man who said: "If we want to get away with it, who is going to stop us?" Here is the man who said: "What's a million anyhow?" This whole proceeding is in character so far as he is concerned.

Mr. Howe (Port Arthur): Here is the bright boy from Kamloops.

Mr. Fulton: But the Prime Minister does know what he is doing.

Mr. Lennard: I wonder.

Mr. Fulton: He is the ex-president of the Canadian Bar Association. The Minister of Finance also knows what he is doing.

Mr. Lennard: Don't be too sure about that.

Mr. Fulton: They know what is the precedent that they are fastening on parliament. They know they are establishing a precedent whereby a government that follows them can introduce legislation even more vicious, even more inappropriate than this, call one clause, put the measure under closure and then pass the whole bill no matter how many sections it may have, even 600 sections, on the precedent that has been established here. The Prime Minister has admitted that it is not a desirable precedent. This ex-president of the Canadian Bar Association said: We knew that there was a more desirable way to do it but it would not have been very convenient. And so he resorted to the incorrect method of doing it and rammed it through with the force of his majority.

We have seen the Prime Minister in a new role. The Prime Minister has established a record for silence in the earlier part of this session unequalled, I think, by any prime minister in any parliamentary institution. Then, as the result, we are told, of a Liberal caucus, it was decided that the great prestige of the right hon. gentleman should be thrown into this debate on the side of the Liberal party. And so the Prime Minister has emerged from his silence and we see him in a new role in this debate. But unfortunately his role and his speeches now are confined almost exclusively to announcements of further guillotines. St. Laurent the silent has become St. Laurent the spectre, a spectre presiding over the destruction of parliament, a graven image presiding over the debacle of Liberalism and over the wreckage of this institution which is the guardian of freedom of Canadian citizens.

I suggest to him that there is only one way he can now retrieve the reputation which all of us are prepared to admit that the hon. gentleman did enjoy and as a leading Canadian statesman formerly was entitled to enjoy. That way is to dissolve this house, submit his conduct and this issue to the judgment of the Canadian people and try to salvage something from the wreckage that he has created.

Now, sir, what of this matter of obstruction that our hon. friends try to pretend we on this side have used as our only weapon against their bill and against their course? We have been referred to the practice in the British house. The hon. member for Vancouver South (Mr. Philpott) tried to tell us, and told us incorrectly, about British closure. It is amazing to me, sir, how it is that the government when it suits them will refer us to the practices of the British parliament but when it does not suit them they will spurn them as being inapplicable.

Let me remind my hon. friends, including the Secretary of State for External Affairs (Mr. Pearson), this new convert not only to Liberalism but also to the present pipe line policy, that in the United Kingdom a bill of this sort most certainly would have been referred to a committee. Most bills are referred to committees which have the power

to make inquiry so that when they come back to the house they have been thoroughly examined. Here, ever since the measure first came forward, we have pressed for a committee. Certainly this debate could have been shortened had we been allowed to make that inquiry. Not only is the British closure practice different from ours but, such as it is, it is infinitely more justified because there bills of this sort would have received full inquiry before ever they came before the house for detailed approval. Never in the history of the United Kingdom, so far as my researches go, have they ever applied closure—or would they apply it—in advance of debate, because the government over there are responsible and do not panic.

As for the debate itself, let us look at what has happened in its course. This bill has been debated for some 10½ days. That is, apart from the time which has been occupied by discussion of points of order—and, may I say proper points of order—the bill itself has been debated for some 10½ days in this house. Let me point out that discussion of points of order has not taken time from the time that would otherwise have been available for debate, because the government had a schedule. They told us that. They told the press that it was their intention to get this measure through this house by May 31. It is now June 6th. Hence we have not actually taken away time available for debate, although we have delayed the application of the government's timetable and we did fight against the guillotine, and would do so again.

The Minister of Finance (Mr. Harris) does not like points of order because he does not like to be bound by the rules. The government is now behind its schedule. What then was the reason for the enormous haste? Why did they have to put on closure on the first day? Of course they did not have to do it. But, Mr. Speaker, the bill has been debated for the 10½ days which the government's timetable would have allowed us.

Last night the Minister of Finance said he had done some arithmetic. I regret that his arithmetic was not too accurate. I think that fact bodes ill for the future financial welfare of the country. He said of me that I have spoken 30 times in the course of this debate. The Minister of Finance is a master of the gentle art of distortion, so perhaps I should leave that matter there. However, I will point out to him that, including the speech I am now making, I have spoken twice in actual debate. In addition I have moved three motions in the course of debate. I have made three motions of one line each: twice when I moved that the Leader of the Opposition (Mr. Drew) be heard, and once when I moved that the Minister of Citizenship and Immigration (Mr. Pickersgill) be heard.

Mr. Pickersgill: May I thank the hon. member for the compliment.

Mr. Fulton: That was resented by the leader of the house and the Minister of Trade and Commerce because it did not suit their plan.

Let us be accurate and not indulge in distortion when we look at this matter. Of the 10½ days of debate of the measure up until 11 o'clock tonight there have been 50 speeches made in debate by Liberal members and there have been 44 speeches made in debate by Progressive Conservative members, including three by the hon. member for Calgary North (Mr. Nickle). Since one can hardly say that the hon. member for Calgary North supported us, I think perhaps it would be fair to say that there have been 43 speeches made from our point of view as against 50 made by the government. We have then the situation that the Liberal party has made more speeches in debate than has any other party in the house. There we have the new method—

Mr. Sinclair: It is the largest in number.

Mr. Fulton: My hon. friends opposite support that course. There we have the new method—putting on closure and then take up the majority of the time by pushing in their own members. And yet they say they have not attempted to stifle debate.

An hon. Member: Tell the truth.

Mr. Fulton: When I tell the truth it hurts hon. members opposite and they resent it.

The Acting Speaker (Mr. Applewhaite): I am sorry to interrupt the hon. member but I must inform him that his time has expired.

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

Mr. Fulton: After all, the government put on closure and I am not allowed to speak again. If hon. gentlemen opposite would revoke their closure, I should be glad to answer any questions that are asked. As matters stand, I would be strictly out of order if I did so. We believe in maintaining the rules even though hon. members opposite do not.

The Acting Speaker (Mr. Applewhaite): Order. I would suggest that the hon. member for Kamloops has established that it would not be in order for him to accept a question.

An hon. Member: Not a word about the pipe line.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, I am glad to take part in this debate because it gives me a chance to stand behind the Prime Minister of Canada (Mr. St. Laurent) and the Minister of Trade and Commerce (Mr. Howe) who stand so high in the esteem of the Canadian people.

An hon. Member: Not any more.

Mr. Boisvert: Nothing that has been said by hon. members opposite will diminish that esteem. For 20 days in this parliament we have been experiencing something which will destroy our democracy if it is repeated time and time again. It started last year, with an import from another country called a filibuster. This year, long before we brought before this parliament an extremely important piece of legislation, we were told that the government would be subjected to a worse filibuster. Is there anything worse in a parliament than a filibuster for the purpose of playing politics with respect to legislation which is for the good of all Canada and which will bring about a development—and this was said in this parliament—as big as that brought about by the railways at the end of the last century?

Mr. Van Horne: You are talking about a sell-out of Canadian resources. That is what you are talking about.

Mr. Boisvert: I will come to that.

Mr. Van Horne: When?

Mr. Boisvert: If my hon. friend is patient enough, I will come to it. Let us ask ourselves what this bill which is before this parliament means.

Mr. Van Horne: It means dictatorship.

Mr. Boisvert: It means the construction of a pipe line from Winnipeg to Montreal.

Mr. Van Horne: It means a sell-out.

Mr. Boisvert: The purpose of this bill is to form a corporation. There is nothing complicated about the bill. It is very simple legislation. It involves the development of Canada as a whole, it invokes the development of a means of transportation for gas which will benefit the provinces of Quebec, Ontario, Manitoba, Saskatchewan, and Alberta.

Mr. Bell: Do not say New Brunswick.

Mr. Boisvert: This purpose was well put by the Minister of Trade and Commerce (Mr. Howe) when he introduced that measure. He said, as recorded at page 3864 of *Hansard* for May 14, 1956:

> Its purpose is to hasten the day when Alberta will have an adequate outlet for its surplus gas, and the day when the cities, towns and industries of Saskatchewan, Manitoba, Ontario and Quebec within economic range will have access to this fuel. It is an undertaking of truly national scope, which we must either launch now or see languish for years to come.

No hon. member from the C.C.F. party, no hon. member from the Tory party has proclaimed before this parliament that what the minister said that day was untrue, was not factual. No one dared to attack a measure to bring about this development, but they have introduced what we call a filibuster to prevent this parliament from legislating.

We were told about freedom of speech. We were told thousands of times that we were violating the freedom of speech. There is a freedom in any democratic country in the world more important than any other, and that freedom is the right to legislate, the right to pass laws for the development of the country and for the good of the people in the country. That is what this government was trying to do and the opposition was trying to prevent this parliament from legislating. The right to legislate is incorporated in our constitution. Section 17 of the British North America Act says, and I quote:

> There shall be one parliament for Canada, consisting of the Queen, an upper house styled the Senate, and the House of Commons.

Section 91 of the British North America Act says:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada—

That is why we are sitting in this parliament, to legislate, to pass laws and not to listen to speeches for 20 days without being able to arrive at a decision. It is the duty of this parliament to arrive at a decision on any question which is placed before this parliament. I am in good company, and I will give you a citation now which must be well known by members of the Tory party but which they have not brought before this parliament in the course of the long discussion we have had about closure. Closure is embodied in our rules for one purpose only and that is to put into effect the legislation which is requested by the people of the country and which is necessary for the progress of Canada. To this the opposition have been objecting for 20 days and abusing—that is the strongest word found in the dictionary—the rules and destroying and diminishing the dignity of the parliament of Canada which is so much respected by every province in Canada.

Let me now quote Mr. Meighen.

Mr. Van Horne: How much did you have to pay for that speech?

Mr. Boisvert: My hon. friend should have done what I have done. He should have remained in his place during the course of this long debate. I did not miss one sitting but often when I have looked in his direction I have not seen him.

Mr. Van Horne: I was at the demise of the Liberal party, which was brought about by—

The Acting Speaker (Mr. Applewhaite): The hon. member for Nicolet-Yamaska must not be interrupted without his consent.

Mr. Boisvert: Mr. Meighen, that great leader of the Tory party, said this on March 2, 1926, as reported at page 1440 of *Hansard* for that date:

> The closure rule is all right; it is perfectly defensible, justifiable and necessary. But never in the history of any parliament was closure adopted for the purpose of giving its members a holiday. Those who stoutly resisted this rule when applied only for the purpose of learning the will of parliament on absolutely essential legislation, only for the purpose of getting the decision of this house on important legislation submitted by the government; those who fought day and night to prevent the application of closure for such purpose, come into parliament this afternoon and call upon all their own followers and their allies to the left to stand up and support closure in order that parliament may adjourn.

The opinion of Mr. Meighen was that closure is justifiable and necessary when it is to bring about a decision on important legislation. Let us see what Mr. Bennett said. He was a great leader of the Tory party. On March 2, 1926, Mr. Bennett, as reported at page 1477 of *Hansard* for that date, said:

> Mr. Speaker, I congratulate my hon. friends opposite on the courage they have displayed in moving closure. It is a courage, of course, born of necessity, but nevertheless I congratulate them because it indicates a recognition on their part that closure is an efficient instrument in the hands of a government to permit public business to be transacted. I have nothing to say as to the reasons why they have changed the views they held in the days long since passed. I feel that it is not to be held against those who govern that they see fit to change their minds and adopt more modern methods when they have seen the error of their ways and realize the virtue of that to which they were opposed.

Those two quotations represent the views of two great leaders of the Tory party. Why have we been sitting in this parliament for 20 days with measures of obstruction directed against the Chair, to destroy the dignity of the Chair and to destroy the confidence this parliament had in the chairmanship?

Mr. Dufresne: Out of order; it was decided this afternoon that one cannot talk about that. Mr. Speaker, I rise on a point of order.

Mr. Boisvert: I will say no more.

[Mr. Van Horne.]

The Acting Speaker (Mr. Applewhaite): I have already told the hon. member.

Mr. Boisvert: I will say no more about it. I have said enough to show the people that there was something wrong—I will use the proper word—there was something shameful. The hon. member for Kamloops used some other strong words. He designated the member of the government who imposed closure as an ugly man. We have heard strong—and I am repeating it—we have heard the strongest words in the discussion of this measure to bring about a sentiment in Canada which would cause the people to ignore the true facts, because facts were distorted with respect to our parliamentary duties. The duty of the House of Commons and of parliament is to develop Canada; it is to make Canada prosperous for everyone; to make Canada one of the greatest countries of the world. No one in this parliament is able to say that he has done his duty toward the country when he has abused the rules of parliament to prevent this parliament from legislating.

My time is running short. It was said at the outset of this debate that we were submitting ourselves to United States buccaneers. Let me say to the opposition who have fought this measure that it was not dignified for a member of parliament to use such words. Since the name of Tim Buck has been introduced into this debate, I know the kind of buccaneer that the C.C.F. members would be glad to have on their side. I prefer to be with the Americans who are trying to help this country to develop itself into a great country than to follow those buccaneers who are aiming at the destruction of our economy, the destruction of the rights of this parliament and the destruction of the duty of this parliament to legislate. I am glad tonight to be on the government side and to be with the majority of the people because this House of Commons represents the will of the people of Canada, not the will of the opposition members who have fought this measure.

Mr. John B. Hamilton (York West): Mr. Speaker, there is an expression in baseball that you can be at bat, on deck or in the hole. Mr. Speaker, I have been in the hole in this debate now for two weeks, but little did I think that I was going to come to bat right after murderers' row.

The galleries will clear tonight, the press will go to bed and the tumult will die. Would that I could be a Churchill to sum up all the points that have been raised in this debate. One thing I am sure of. Although I have read tonight in the press that the fight is all over, I am sure that the people of this

country are going to carry on this fight until this government reaps the justice it deserves.

You know, Mr. Speaker, we have been told that this is a bill to permit the construction of a pipe line.

Some hon. Members: That is right.

Mr. Hamilton (York West): How ridiculous can you hon. members get? Permission to build this pipe line was passed by this house in 1951. I ask the Minister of Trade and Commerce, what has he been doing since that time? If we are going to be surrounded by the great believers of "get things done", then, what is the explanation of the inertia that has faced this house and this government since 1951? This bill deals with only one thing. It deals with the financing of a pipe line, my hon. friend, and with one thing alone. If I have asked a question, what has been done since 1951 about the financing of a pipe line, perhaps I can ask what has been done since 1954 when the Minister of Trade and Commerce arranged the deal to put the companies together to carry out this undertaking? What has been done since 1954?

If I might ask another question, what has been done by the minister since last fall when we first read the news that this bill was going to go through? What has been done by the minister since the month of January when we heard in the speech from the throne of the plans for this pipe line? Why, Mr. Speaker, is June 7 so important? The only reason I can think of that June 7 is such an important date line is that this government is afraid to let us look behind the propaganda screen and see the facts. The reason it is afraid to let us look behind the screen is that this government is sick, this government is tired, this government is shop-worn, this government is lazy and this government lacks the courage to bring the facts before this house.

Who has sold this June 7 deadline? Well, I wonder who it is? I understand that the public relations director of Trans-Canada Pipe Lines is ensconced in suite 514 of the Chateau Laurier, and he is the same man who was the public relations director of the Prime Minister in his last election campaign, and he was able to sell the people of Canada at that time a man that we have not seen in the House of Commons during this session. He is the same man, and I understand that he is turning out some speeches and I have wondered, Mr. Speaker, whether they may have been some of the speeches that we have heard read in this house.

I ask the Prime Minister, did he ever go into court with a case prepared like this one? Did he every try to prove a case without one bit of primary evidence, not a single bit? Did he ever refuse to the court or to the jury the facts as they have been refused now. And he asks us to accept these pieces of paper? Why, Mr. Speaker, the Prime Minister would not have his law student turn out material such as this.

This bill, Mr. Speaker, does not provide the financing wherewithal of the trans-Canada pipe line. This bill, I am afraid, may be the subject of numerous cases of litigation. Why is it this way? It is because there was no opportunity in the committee stage in this debate for the opposition to propose the amendments which would have read some sense into this bill.

I have heard criticism voiced in the past concerning our speaking on the pipe line. I spoke on the pipe line two weeks ago but no one took the trouble to answer me. The only reply we have had to any questions we have asked is that our questions are frivolous and vexatious. I would say to the Prime Minister (Mr. St. Laurent) tonight that I have looked at his bill. It provides for the leasing and purchasing of the northern Ontario section of the trans-Canada pipe line but it makes no provision if default takes place for an agreement with any other group or company. Oh, Mr. Speaker, this is not going to solve our problems tonight. We are going to be back here debating this all over again.

I think I am in order on third reading of this bill, Mr. Speaker, to refer to the clauses. In addition, clause 5 (1) subclause (c) says it is drawn to fulfil any agreement or arrangement made before or after the coming into force of this act. What other agreements has the government in mind in connection with this legislation? What other type of deal are they going to tell us about at some future date?

An hon. Member: Another sell-out.

Mr. Hamilton (York West): Under financing in clause 6 subclause (3) it says the total amount that can be loaned by this company is $130 million. I wonder why they put the default clause in because if the government is going to take this line over, if the company does not fill the bill, then they will not have enough money in the kitty to do the job.

Mr. Hunter: You are breaking our hearts.

Mr. Hamilton (York West): If I am breaking your hearts, I say to the hon. member for Parkdale (Mr. Hunter) I have done a much better job than the others who have attempted to make you show some heart in connection with the rules of this house.

In clause 7 (1) we again find the words "this agreement or any other agreement that is to come into force as a result of this act". I ask again, what other type of deal had you

in mind, Mr. Minister of Trade and Commerce (Mr. Howe) and Mr. Prime Minister (Mr. St. Laurent), in connection with this phase of the bill? Then they have a provision here covering the acquisition of the shares, and this is an important feature too, Mr. Speaker. They have made sure they have the same wording in this clause also; it is this agreement or any other agreement. I wonder what type of arrangement this government has made with the shareholders of this company which is so interested in developing the natural resources of Canada? I wonder about all the good names they have. I think this has been referred to before. There is the Hudson Bay Oil and Gas Company Limited, 75 per cent controlled by the Continental Oil Company of Tulsa; and the Canadian Gulf Oil Company, which is another very good name. This company is controlled 60 per cent by the Gulf Oil Company of the United States. Of course there is also the Tennessee Gas Transmission Company; that is Gardiner Symonds' outfit. There is also the Canadian Delhi Oil Company Limited; that is Mr. Murchison's job. There is the International Utility Company of New York, too. Of course, they let a few shareholders out in Calgary and Edmonton get into this. I wonder what special arrangement has been made to bail these shareholders out if default takes place. As a matter of fact there probably is some arrangement because I see they still have Mr. R. A. C. Henry in there and he has been in with the government ever since the Beauharnois scandal.

Reference has been made to default, Mr. Speaker, and they drafted a default clause in the agreement. Oh yes, here it is, on page 3 of the agreement. It reads:

> Such notice of default shall be given to Trans-Canada as may be specified in the indenture but the indenture shall not specify a period for giving such notice that is in excess of 90 days from the date upon which the crown company becomes aware of such default.

They made sure about this in the agreement covering the shares, too.

An hon. Member: Careful, John.

Mr. Hamilton (York West): They made sure of it because they provided for relief in connection with the forfeiture. The 90 days' notice was there but there was also a provision that there could be relief against forfeiture.

Well, Mr. Speaker, there does not seem to be any doubt about what direction this company is taking. I am sure these documents do not provide for the financing which this company requires to do the job. These documents do not provide for a firm contract which will not be subject to being re-opened at the whim and fancy of the gas promoters in the United States.

I have heard my hon. friends opposite talk about the similarity between the promotion of the Canadian Pacific Railway by our party and what they are doing now, but there is a great deal of difference. At that time this country was an integral part in thought and in every way of the country which provided the financing, and when Sir John A. Macdonald spoke about it he was talking about ensuring that that great company was financed by British subjects. That was the important thing to him. What a difference it made to him to have it done that way instead of having it come from the United States. As I speak here tonight I am reminded that it is past twelve o'clock—

Mr. Hosking: It is past one o'clock.

Mr. Hamilton (York West): It is past twelve o'clock for my purposes. I am reminded that this is the anniversary of D-day. This is the anniversary of the day upon which hundreds and thousands of Canadian boys lost their lives to ensure that Canadian sovereignty would always remain in Canadian hands.

Mr. Hees: Today is the day of the sell-out.

Mr. Hamilton (York West): In closing I want to use some of the words of Sir John A. Macdonald, spoken in circumstances such as these. I am going to read from *Hansard* of 1880-81, volume I, page 494. I am going to take poetic licence and I am going to substitute the gas companies in this instance. This is what Sir John A. Macdonald said: Mr. Speaker, I can trust to the intelligence of this house, and the patriotism of this country, I can trust not only to the patriotism but to the common sense of this country to carry out an arrangement which will give us all we want, which will satisfy all the loyal, legitimate aspirations, which will give us a great, an united, a rich, an improving, a developing Canada, instead of making us tributary to American laws, to American gas companies, to all the little tricks and big tricks that American gas companies are addicted to for the purpose of destroying our control over our own natural resources.

Mr. Drew: Here comes the axe.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Fairclough, Mrs.
Fleming
Fulton
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Jones
Knight
Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Rea
Robinson (Bruce)
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—56.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McLeod
McMillan
McWilliam
Mang
Marler
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—153.

Mr. Martin: Mr. Speaker, I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted against the amendment.

Mr. Proudfoot: I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted, I would have voted against the amendment.

Mr. Speaker: I declare the amendment to the main motion lost. The question now is on the main motion. Mr. Howe (Port Arthur), seconded by Mr. Harris, moves that Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation be now read a third time. Those who are in favour of this motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to this motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Do I understand that hon. members consider that, for the purpose of this division, their members have been called in?

Some hon. Members: Yes.

Northern Ontario Pipe Line Corporation

Mr. Speaker: Will the whips be good enough so to indicate?

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McLeod
McMillan
McWilliam
Mang
Marler
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—153.

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Fairclough, Mrs.
Fleming
Fulton
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Jones
Knight
Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Rea
Robinson (Bruce)
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—56.

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

Mr. Speaker: I declare the motion carried.

Mr. Knowles: I rise on a point of order.

Mr. Speaker: Order. Did the hon. member for Pontiac-Timiskaming (Mr. Proudfoot) wish to declare a pair?

Mr. Proudfoot: Yes, sir. I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted, I would have voted for the motion.

Mr. Knowles: I rise on a point of order. My point of order, Mr. Speaker, is to the effect that this house should do no further business tonight. I base this contention on standing order 33, upon the terms of the closure motion which was moved this afternoon by the Prime Minister, and on the basis of your own interpretation of standing order 33 as given on May 15 and May 22 of this year.

The motion moved this afternoon by the Prime Minister (Mr. St. Laurent) was as follows:

That the debate on the motion for the third reading of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, and on any amendments thereto, shall not be further adjourned.

It is my contention, of course, that everything that was provided for in the Prime Minister's motion has now been done. This motion called for the debate on third reading, and on any amendment thereto, to be concluded and the necessary votes taken thereon. It does say in standing order 33 on this point:

But all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

The question that now faces us is as to whether there are any other proceedings that are necessary to be dealt with in order to conclude such adjourned debate and the debate on the amendment. I submit that everything that is necessary to conclude the adjourned debate has been done. The debate is over. I make no comment on that. I recognize the fact the debate on third reading, indeed, all possible debate in the House of Commons on this bill is over unless the Senate amends it and sends it back to us.

Now, Mr. Speaker, I said that I would also base my contention on rulings that Your Honour gave on the night of May 15, or perhaps it was early in the morning of May 16, and also on the night of May 22, or in the morning of May 23. On those occasions it was your contention that we had to continue so long as there was an unbroken chain. It was your contention that certain proceedings followed upon, or were part of, other proceedings, and therefore they had to be dealt with before the house adjourned, even though we were past adjournment time. But it was also your admission that in certain instances there was a point at which one came to the end of the chain. I disagreed with the position you took on the night of May 15. I felt that the chain was actually broken before you felt it was, but, at any rate, you have laid down the proposition that one had to go only as far as the chain of events would take one. Relying on that same interpretation of standing order 33 Your Honour on the night of May 22 or in the morning of May 23 did say that after second reading had been given to the bill the motion for the house to go into committee of the whole on the bill was a different proceeding which could be left over until the next day. As a matter of fact, we did not have any argument about it because Your Honour laid that down as your view as soon as that point was reached. In other words, on that night we reached a certain point and went no farther. Of course, in all of this my view and the argument that I am now presenting, and your view, and the position you took on the night of May 22, is that once the proceedings covered by closure have run out we are past ten o'clock and cannot take up any other item of business.

So far, I think Your Honour will agree with me that I have set out the situation correctly. If there is any argument, it will be over the question as to whether or not the one other proceeding which has to be taken before this bill is sent to the Senate is separate from or a part of the motion for third reading. That other proceeding is, of course, the motion that the bill be now passed and the title be as on the order paper. It is my strong submission—in my view there is no question about it—that the motion that a bill be now passed and the title be as on the order paper is a distinctly separate proceeding from the motion for third reading which has now been passed by a vote of this house. I refer Your Honour to standing order No. 75 which reads as follows:

Every bill shall receive three several readings, on different days, previously to being passed.

I submit, Mr. Speaker, that it is clear from that sentence that being passed is a separate proposition, a separate proceeding from the third reading; indeed, the three readings which are referred to in that sentence. There is another sentence in standing order 75 but it does not have any application to anything at this point. I also ask Your Honour to read standing order 76, which reads as follows:

When a bill is read in the house, the Clerk shall certify upon it the reading and the time thereof. After it has passed, he shall certify the same, with the date, at the foot of the bill.

Again I submit, Mr. Speaker, that the wording of that standing order is abundantly clear, namely, that the passing of the bill is something quite different from a reading of the bill, be it first, second or third. The fact that it is clear is underlined by the instructions to the Clerk that he is to certify on the bill each of the three readings, and also that he is to certify the date on which the bill itself is finally passed.

Now, Mr. Speaker, in addition to what I have said, based on standing order 33 and your interpretation thereof on the nights of May 15 and May 22, and in addition to these clear-cut standing orders—remember, it is the standing orders which are supposed to guide our proceedings here—I also ask Your Honour to take note of page 166 of Beauchesne, third edition. I am sure Your Honour is familiar with this page. It is the third of a group of pages in which Beauchesne sets

out in some detail the proceedings on money bills. In fact, Dr. Beauchesne itemizes these various proceedings by number all the way from 1 to 30, and on previous occasions from the chair as well as from the floor persons have indicated that the numbering does specify a distinction between one proceeding and another. You will note, sir, that item No. 29 on page 166 reads as follows:

> Speaker: "When shall this bill be read a third time?" (If bill to be read third time now):
> "Moved by Mr. . . . . seconded by Mr. . . . . that said bill be now read a third time." "Carried."

Then, as a distinct item of procedure appears item No. 30, which reads:

> Speaker: "Moved by Mr. . . . ., seconded by Mr. . . . . that said bill do now pass and that the title be as on the order paper." "Carried."

There is a little bit more in No. 30 but I need not read it. I will only say that there is another sentence indicating what will be done if the title of the bill were to be changed from what appears on the order paper.

Now, I submit, Mr. Speaker, that that is a clear-cut indication of how we are to proceed, which was given by Dr. Beauchesne in his third edition, to support my contention that the motion that the bill do now pass and the title be as on the order paper is a separate proceeding from the motion for third reading, just as separate as was the motion to refer the bill to the committee of the whole from the motion for second reading which, on the night of May 22, you agreed was so distinctly separate that it had to be left over until the next day.

I now move on to another authority in support of my contention. This time I refer to Bourinot, and just to keep the record straight, may I point out that Bourinot, like Beauchesne, is a Canadian authority. I ask Your Honour to note what Bourinot says on page 532 under a paragraph bearing the Roman numeral XVI. The paragraphs immediately preceding this one deal with third reading. I am on page 532 of Bourinot, fourth edition. Once Bourinot has described third reading, he then says:

> XVI. Motion, that the bill do pass. The next question put by the Speaker is:
> "That this bill do pass, and that the title be, etc."
> This motion generally passes *nem. con.* immediately after the third reading, . . .

Mr. Cannon: Hear, hear.

Mr. Knowles: I hear my friend the hon. member for Iles-de-la-Madeleine (Mr. Cannon) say "Hear, hear". That is perfectly correct; it generally passes right after third reading.

Mr. Nesbitt: That is the hon. member who represents practically nobody.

Mr. Knowles: My friend the hon. member for Winnipeg South Centre (Mr. Churchill) has the book in front of him which is more than I can say for the hon. member for Iles-de-la-Madeleine, and so has the hon. member for Kamloops (Mr. Fulton).

An hon. Member: And so have many other hon. members.

Mr. Knowles: All right, I am very glad to note that a couple of hon. members over there are following me. I continue:

> . . . though it is quite regular to defer the final passage until a future day.

Now, there is more in that paragraph but I will not confuse the issue by reading the other lines or trying to claim anything on the basis of what is in the rest of that paragraph. As a matter of fact, I looked up all the footnotes referred to in that paragraph and some of them are from English records which obviously have no bearing on our Canadian practice but the references indicated by the letters (x) and (y), as Your Honour will note by looking at the bottom of the page, are to the Canadian *Journals*. There, in addition to all the other authorities I have given, is a clear-cut statement that the motion that the bill do now pass and that the title be as on the order paper is a distinctly separate proceeding from the motion for third reading.

I recognize that when one starts to cite authorities around here it is common practice for someone to try to find an authority on the other side and I would not be surprised if someone picked up May and tried to throw a sentence at me from May in contradiction to the position I have been making. Before someone throws that sentence at me I will read the sentence that someone might find.

I have in my hand May's fifteenth edition. The same sentence will be found on other pages in other editions but it appears on page 554 of May's fifteenth edition near the bottom of the page under the heading "Bill passed" and it reads:

> The question "That this bill do pass" is no longer put in the House of Commons and, according to established usage, a bill, when read the third time, has passed.

Mr. Cannon: Hear, hear.

Mr. Knowles: Well, there is my friend the hon. member for Iles-de-la-Madeleine with his "Hear, hear" once again; apparently he has not studied this very much. But the fact is clear to anyone who has studied it that May is describing the practice in the parliament at Westminster where for their purposes when the third reading has been given it is taken that the bill has passed.

Now, as the Minister of National Health and Welfare (Mr. Martin) knows, because I had occasion to refer to them earlier this afternoon—

Mr. Martin: Thank you for the compliment.

Mr. Knowles: —I have made some study of the standing orders of the parliament at Westminster. As a matter of fact they appear in May's fifteenth edition as an appendix thereto. When one goes through the standing orders at Westminster one discovers that there is nothing in those standing orders corresponding to what is our standing order 75 and our standing order 76 where a definite reference is made to the passing of the bill. There is no requirement under the standing orders at Westminster for a motion that the bill do now pass but in our Canadian standing orders there is a requirement that there be a motion that the bill do now pass. This is provided in standing orders 75 and 76; it is spelled out on page 166 of Beauchesne's third edition and it is spelled out with abundant clarity on page 582 of Bourinot's fourth edition where he says:

> The next question put by the Speaker is: "That this bill do pass and that the title be, etc." This motion generally passes *nem. con.* immediately after the third reading, though it is quite regular to defer the final passage until a future day.

May I assure you sir that—

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

Mr. Knowles: Surely.

Mr. Cannon: For the benefit of those who are following this debate and do not have a copy of the standing orders before them, in order that they could understand it better would the hon. member mind reading the second sentence of standing order 75?

Mr. Knowles: I am sure Your Honour agreed with me a moment ago that I was quite justified in not reading the second sentence of standing order 75 because it has no applicability to the present situation.

Mr. Cannon: Would you mind reading it?

Mr. Knowles: I do not mind reading it. As a matter of fact, I would be glad to read all the standing orders in the book. I think it might be a good idea to put them on the record. Standing order 75 reads:

> Every bill shall receive three separate readings, on different days, previously to being passed. On urgent or extraordinary occasions, a bill may be read twice or thrice, or advanced two or more stages in one day.

Mr. Cannon: Very interesting.

Mr. Knowles: Does the hon. member contend that this is that kind of urgent or extraordinary occasion?

An hon. Member: Certainly he does.

Mr. Fleming: No, he is just obstructing. He wants to delay the proceedings of the house.

Mr. Knowles: My hon. friend thinks that this is one of those occasions where the majority should rule and where proceedings that normally cannot be changed except by unanimous consent should be changed because the majority wants them changed.

Mr. Coldwell: It has been that way all through.

Mr. Knowles: Mr. Speaker, this interruption in our discussion was made necessary because the hon. member for Iles-de-la-Madeleine wanted the whole of standing order 75 put on the record.

I should like to draw to Your Honour's attention the fact that there have been in the past a number of occasions when our *Journals* have recorded the motion for the passing of the bill separate from the motion for third reading. As a matter of fact, the footnotes on that page of Bourinot we were looking at a moment ago, page 532, direct one to the *Journals* of 1874, 1876, 1877 and 1879 where you will find such instances. I am sure the Prime Minister (Mr. St. Laurent) will not object to my going back that far because after all he referred us yesterday to something that happened back in 1604. But in addition to these instances in the Commons *Journals* there was a very interesting instance recorded in the *Journals* of the Senate where on May 2, 1879, a bill—it was the marine electric telegraphs bill—which had been passed through all its other stages—indeed it had been given third reading—was actually defeated on the separate and final vote that the bill do now pass and the title be as on the order paper.

In other words, although it is perfectly correct that generally this last motion goes through without any difficulty, there has been at least this one occasion I have found in the other place where it was the point at which the bill was defeated. It is a separate proceeding and the very fact that Your Honour would have to put the motion and that it would be subject to a vote—in fact, I feel it should be voted on so that we can express our attitude on this bill right down to the end—but the fact that it is that kind of a completely separate proceeding makes it clear to me, and I think I have so persuaded a good many hon. members of the house, that it is the kind of proceeding that ought to be left over until tomorrow.

Some hon. Members: Oh, oh.

Mr. Knowles: Now, Mr. Speaker, I know some hon. members of the house are not convinced—

An hon. Member: Most of them are not.

Mr. Knowles: —and no doubt they will say that this is another of those technicalities. Mr. Speaker, this will probably be the last point of order I will raise in connection with this legislation.

Some hon. Members: Hear, hear.

An hon. Member: You must be getting sleepy.

Mr. Knowles: Not at all. The appreciation expressed by the Liberal members for points of order and technicalities is noted. I feel it is my duty to give this house this one last chance to pay some attention to a technicality. All kinds of things have been said by Liberal members about technicalities but I stress their importance in our concept of the rule of law and our belief that parliament should function according to rules that are laid down and are not changed in the middle of the game.

Mr. Fleming: You are perfectly right.

Mr. Knowles: Mr. Speaker, although it is perhaps only a technicality, if the rule is clear respect should be had for that technicality. I give the house this one more chance to pay respect to a technicality but I suggest there is even something more that I am giving to at least one person who is listening to me right now, and I refer to the Prime Minister. If we will follow the rules it will be recognized that it is after ten o'clock, a long time aften ten o'clock, which means that we have gone beyond the application of the closure rule. The government has no right to put this motion. If the government will follow the rule and leave the motion that the bill be now passed and the title be as on the order paper over till tomorrow—

Mr. Harrison: It is tomorrow.

Mr. Knowles: —until 2.30 this afternoon, then, if it is more satisfactory for my hon. friend from Meadow Lake—that would at least give the Prime Minister one more night to think over this important piece of legislation.

There can be no doubt that it is a separate proceeding. If I had not risen, you would have put the question and there would have been a vote on it. I do not see how anyone can contend that it is part of the proceedings necessary to conclude the adjourned debate on third reading. That is over; that has gone. All that is left is this one motion. It is not debatable when it is called. Whether Your Honour puts it tonight, completely against my view on the matter, or whether it is put tomorrow afternoon, it is not debatable. It is simply to be voted on. But I think it is far better to leave it over till tomorrow afternoon so that this house at this stage of the game will have paid attention to an important technicality, and also so that the Prime Minister might have one more night to think over this matter and think over the speeches that were made tonight and the appeals that were made to him and the chance he has to come back to this house tomorrow when the vote is called on that final motion and admit to the house that this is something that parliament should not be asked to pass but rather is something that should be dealt with in another way.

Hon. members know what I think that other way should be—an appeal to the country—but I am not enlarging on that now because I am on my feet only on my point of order. I present this point of order to you, Mr. Speaker, realizing that it is not as serious a technicality as some of the others I have raised in the past three weeks but it is a serious one, and the house has this one more chance to respect a technicality that is very clear. The rules indeed are clear, and I hope that you will give this point the consideration that it deserves.

Mr. L. D. Crestohl (Cartier): The hon. gentleman who has just taken his seat has expressed meticulous concern for technicalities. Whilst you heard the hon. gentleman I respectfully submit to you, Mr. Speaker, that you should not have heard him. I quote from that same standing order 33:

> . . . if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour . . .

I submit to you, Mr. Speaker, that you must give strict interpretation to these words:

> . . . no member shall rise to speak after that hour.

It cannot be contended that the wording here is intended to apply to the debate. It would say so if it were intended to apply to the debate, but the language is simple and clear. I should like to say to the hon. gentleman that it is to me crystal clear that no member may rise. It does not qualify the circumstances under which a member might rise.

Mr. Fleming: Why are you speaking?

Mr. Crestohl: I too am out of order, but I am drawing to your attention, Mr. Speaker, that you should not have heard the hon. gentleman. It is after one o'clock, and no member should speak after that hour.

Mr. Knowles: May I ask the hon. member a question?

Mr. Crestohl: Yes.

Mr. Knowles: If he contends that it is not possible for him or for me to rise at this time to speak, would he tell me how the minister could rise to move that the bill be now passed and that the title be as on the order paper?

Mr. Crestohl: I should be very pleased to answer that. That forms part of standing order 33, which states:

. . . but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

That is part of the proceedings which must be concluded tonight.

Mr. Fleming: You are begging the question.

Mr. E. D. Fulton (Kamloops): It is not necessary to add very much to the extremely cogent argument put forward by the hon. member for Winnipeg North Centre, but there are one or two things, based on what has happened on June 1, which I think should be brought to your attention, Mr. Speaker, in support of his argument.

The point made by the hon. member is that this is a separate proceeding which requires a separate question and that, it now being after one o'clock and this not being included in the closure motion, no one can move that motion, and therefore the question cannot be put. In this connection I should like to suggest that there is an absolute parallel between the situation which arises after third reading and the motion that the bill pass and the situation which arises after report from committee and the motion that the bill be read a third time at the next sitting of the house. You will observe, if you look at Bourinot at page 532, to which your attention has already been directed, that Bourinot, in dealing with the motion that the bill do pass after third reading, says:

The next question put by the Speaker is: "That this bill do pass, and that the title be, etc."

May I refer you then back to page 528, where Bourinot is dealing with the stages necessary on report from committee of the whole and where he says:

Accordingly, when a bill is reported without amendment, the Speaker puts the question, "When shall the bill be read a third time?"

So there is an absolute parallel between those two situations. I submit to you that you, sir, recognized on Friday, June 1, that the question, "When shall the bill be read a third time?" was a separate question and therefore a separate proceeding from the receipt of the report and the adoption of the report of the committee. If you will look at *Hansard* of Friday, June 1, you will observe that you did not put that question, "When shall the bill be read a third time?" on that night. I submit—and it is the only conclusion that can be drawn—that the reason why you did not was that you recognized that the question was a separate question, not necessarily involved in the preceding stage, and therefore could not be moved or put after one o'clock. Let me read from *Hansard* of June 1 at page 4641, second column. We had certain points raised. It states:

After the taking of the vote:

The Deputy Chairman: Bill ordered reported.

Mr. Knowles: Goodbye.

Bill reported.

The bill was reported to you, sir. *Hansard* continues:

Mr. Coldwell: Mr. Speaker, the people in the galleries have seen a farce tonight.

Some hon. Members: Hear, hear.

Mr. McCann: Looking at you. You are the farce.

Mr. Coldwell: This is the worst proceeding that has ever been seen in this parliament, Mr. Speaker. The chairman has tried to muzzle the committee.

An hon. Member: The Speaker is on his feet.

Mr. Speaker: This house stands adjourned until Monday at 2.30 in the afternoon.

Mr. Rowe: Why not dissolve it and go to the country?

So, sir, you left the chair without putting the question, when shall this bill be read the third time, and I submit that the only basis upon which you could have left the chair without putting that question was because you realized and recognized that that question is a separate question, a separate stage of the proceedings from the report of the committee, and therefore could not be put after one o'clock. That is on all fours with the submission now made by the hon. member for Winnipeg North Centre that the question, shall the bill pass and the title be as on the order paper, is a separate question from the third reading of the bill.

Since, therefore, it is made clear by the authorities that the two questions in both cases are separate, and since you have recognized that by what you did on the night of June 1, then I submit that following upon example you cannot put the question as to whether the bill shall pass tonight.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, to be very brief on the subject and with particular reference to what the hon. member for Kamloops has just said, it is quite correct that *Hansard* of June 1 does not record you as having said anything after the deputy chairman reported to you. I only say that others were speaking during that time and the dialogue is as has been read by the hon. member for Kamloops. But I should point out to you that in *Votes and*

Proceedings of Friday, June 1, I read the concluding sentence on this particular subject which is as follows:

> The house resumed consideration in committee of the whole of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, which was reported without amendment, and ordered for a third reading at the next sitting of the house.

It was on that basis that the third reading appeared in *Routine Proceedings and Orders of the Day* for Monday, yesterday. May I also point out to Your Honour that in my submission the hon. member for Cartier is quite correct in that if there is a parallel here the parallel is not only that which I have recited with respect to the report from the committee of the whole and third reading but also the parallel that the ruling that you made with respect to the resolution on May 15, as I recall it, was that you held that it was an essential and continuing part of the resolution that upon the resolution being reported you should proceed and did proceed to give first reading to the bill. That is, I submit, the situation at the moment.

I have listened to these references to Bourinot, fourth edition, and may I point out that while I have not had the advantage of reading all the citations, because I ignored the ones in the United Kingdom, the ones of Canadian origin which were cited are dated much earlier than our modern rules. I would point out that there has been no recent precedent since the rules were revised in 1892, as I recall, although I cannot give the date precisely, and that the present practice of Your Honour and those occupying the chair of making a separate motion or a separate inquiry, shall the bill pass and the title be as on the order paper, is now in fact obsolete having in mind the fact—

Mr. Knowles: Standing order 75.

Mr. Harris: My hon. friend refers to standing order 75, but I say that it is an essential part of the third reading of the bill and is only essential to that extent.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, may I draw your attention to citation 810 in Beauchesne, second edition, which reads as follows:

> If the bill is reported without amendment, the Speaker puts the question: "When shall the bill be read a third time?" The house, at this stage, may decide by a majority vote either that the third reading will take place immediately or at some future day. If, to the Speaker's question, the answer comes "now", he will at once put the third reading and the motion "that the bill do now pass and title be as on the order paper."

I suggest, Mr. Speaker, that that bears out what the leader of the house has just said, that this is now in effect one proceeding and that when we get to the stage where third reading is ordered to be given by the house it is then your duty to put the motion at the same time that the bill pass and the title be as on the order paper, and I cite to you that citation found on page 229 of Beauchesne, second edition.

Mr. Knowles: May I ask the Minister of Finance if he overlooked the position that Your Honour took on the night of May 22 when you did recognize that the chain of events did not go on to the motion that the bill be referred to committee of the whole after second reading? The Minister of Finance refers to what happened on the night of June 1. Even if what *Votes and Proceedings* records is correct, I point out that no attempt was made that night to move third reading. All that was done that night, even according to *Votes and Proceedings*, was that the third reading was ordered for the next sitting of the house.

By the same token, Mr. Speaker, I am suggesting that what Bourinot calls the further consideration of Bill No. 298 should now be ordered for the next sitting of the house. Ordering something for the next sitting of the house is quite different from putting the motion itself. So far as citation 810 in Beauchesne, second edition, which the hon. member for Rosthern has read, is concerned, all it does is support that long set-up on page 166 of Beauchesne, third edition, making it clear that if the house wishes to do so it can take third reading and the other motion on the same day. They do not have to be on separate days like the first, second and third readings.

But in this instance we have passed the time for doing business this day. We are now four and a half hours past ten o'clock, and I submit that this other proceeding is just as separate from third reading as was third reading from the committee stage last Friday night and that the only thing Your Honour can now do is order the further consideration of this bill, in other words, that the motion for passing it at the next sitting of the house be placed on tomorrow's order paper.

Mr. Speaker: I wish to thank hon. members for the consideration they have given to this matter of order. I want to say that I expected that a point like this might be raised at this time, and in all the time available to me since the beginning of the day when I was not in the chair I have examined the point. The hon. member for Winnipeg North Centre says that standing order 33 at this moment is satisfied because he says that all the motions that must be

decided have been decided, and he bases his remarks on the last part of the standing order, which reads:

> . . . but all such questions as must be decided in order to conclude such adjourned debate . . . shall be decided forthwith.

I have taken that view and I still hold the same view. As the hon. member knows, an order of the house has to be made when we ask the question, when shall this bill be read a second time, either now or at the next sitting of the house. An order of the house must take place. The same thing applies with respect to third reading. One must ask the house the question: When shall this bill be read a third time? If the second reading has been on the same day the answer to the question will inevitably be "Next sitting of the house" unless by leave the house agrees to have it read a third time immediately. But an order must be made for the house to proceed from one reading to the other. So it is for the first reading and so it is for the second, and it is also so with respect to the third reading. See Beauchesne's third edition, citations 652 and 703. That is why after second reading and after third reading, once the house has given the order, the Clerk needs to have this order in order to insert it in his *Votes and Proceedings.*

If the hon. member looks at the *Votes and Proceedings* he will see what constitutes the various entries in the *Votes and Proceedings.* He will find that "Bill read the first time and ordered for a second reading" constitutes one entry. These procedures are so purely linked together and so purely formal that they constitute only one entry. They do not even deserve a second entry. On the second reading we find: Bill read a second time, ordered to be committed: one entry, bill reported and ordered to be read a third time. This is also a matter of one entry alone. The third reading of the bill and the motion that the bill do now pass and the title be as on the order paper, even when the title has been changed in committee, and that the title be as amended in committee is declared at the last motion, this also constitutes only one entry. It is just one move.

The hon. member places a great deal of emphasis on standing order 75 because the word "passed" is found there. Standing order 75 reads in part as follows:

> 75. Every bill shall receive three several readings, on different days, previously to being passed.

Once a bill has gone through its three readings, effectively it is passed. If the title has not been amended in committee, the motion that the bill do now pass and the title be as on the order paper, although we maintain that it is still votable, is merely a purely formal motion linked and connected with the motion for third reading. It is there only in case we may need to use it for the purpose of declaring that the bill has been amended in committee. I have here instances where amendments have been made. I have here an instance of an amendment to a bill moved by the hon. member for Kamloops (Mr. Fulton) a few years ago, having to do with the Criminal Code which was amended in committee. See *Hansard,* volume III, 1949, page 2699. He himself said consequential to the amendments which have been accepted the title will have to be changed and he himself moved, seconded by the hon. member for Prince Albert (Mr. Diefenbaker)—who was then the hon. member for Lake Centre—that the title be changed. If the hon. member reads the *Votes and Proceedings* of that day—and I have them here—he will see: Bill read a third time, ordered that the bill do now pass and the title be as amended in committee—and the new title was inserted in brackets—motion agreed to. It is just one step. See *Journals,* 1949, volume XCI, pages 331-2.

Hon. members at this moment, for various considerations which it is their privilege and right to hold, may wish to have this last motion perhaps postponed. But I want to tell hon. members that when I took the Speakership of the house in 1953 I found several documents in the files in my chamber. Among them I found a memorandum which had been prepared long before, about 10 years ago, I would say. It deals with various questions and answers on closure. It is in that memorandum that I found all the references as to when closure had been imposed in the past since 1913. At the last page of that memorandum that I have here in a notebook where hon. members may see it, on standing order 39, which was the previous number of order on closure, I find the following:

> Question—Does a notice of closure on third reading of the bill also cover the motion that "The bill do pass and the title be as on the order paper?"
>
> Answer—Yes. This is a purely formal motion which is not debatable under standing order 38—
>
> Which is now standing order 32.
>
> —and must be put forthwith in accordance with the provisions of standing order 39—
>
> Which is now standing order 33.
>
> —which requires that all questions connected with the main motion shall be decided forthwith.
>
> See Beauchesne's third edition, citation 227.

Let us look at citation 227.

Mr. Fulton: For the information of the house, could Your Honour tell us who drafted the memorandum?

Mr. Speaker: There is no name attached to it. However, I suppose that it was prepared either by the Speaker of the day or by one of the clerks of the house. There is no name attached to it. I took all the documents that were there and examined them, and this is what I found. But because I found that memorandum, that does not mean that I must say that is the Bible and I will not decide otherwise. Nevertheless, someone at one time gave full consideration to what should be the proper interpretation of standing order 33 and has divided the matter into questions and answers. On the question with which we are now confronted, whoever prepared it—and I do not suppose it was anybody interested in anything else but procedure who would have worked on that standing order—has said that in his view the question that the bill do now pass is a purely formal motion connected with the motion for third reading.

Mr. Fulton: It might be permitted to suggest that it has lain anonymous for all these years because the Speaker of the day did not agree, and therefore it never saw the light of day.

Mr. Speaker: I am sorry, but I did not hear what the hon. member said.

Mr. Fulton: I said that it might be permitted to suggest that it has lain anonymous for all these years because the person for whom it was prepared did not agree, and therefore it never saw the light of day. One suggestion is as valid as the other.

Mr. Speaker: The hon. member must also consider that closure has been applied in the last few weeks but prior to that several years had elapsed during which closure was not applied. I presume that memorandum might have been prepared at one time when there were perhaps intentions of using closure but finally the intentions were modified. Nevertheless, this memorandum refers to citation 227 of Beauchesne's third edition. Citation 227 reads as follows:

> 227. If debate is on an amendment under closure, and a division takes place on that amendment before two o'clock in the morning, a new amendment may then be proposed, but the speeches thereon will be limited to one for each member who has not already spoken and shall not be longer than 20 minutes. A division may again take place on this new amendment, and another one be again proposed, and so on until two o'clock. The government members, in order to prevent the opposition from proposing such amendments, may keep up debate until two o'clock in the morning,—

And these are the words that are applicable.

—when all questions connected with the main motion have to be decided forthwith.

Standing order 33 says this:

> . . . all such questions as must be decided . . .

Citation 227 says:

> . . . when all questions connected with the main motion have to be decided forthwith.

Citation 717 of Beauchesne's third edition reads as follows:

> 717. Bills should be certified upon each of the three readings. The certification is usually made by the Clerk Assistant. Unless it is duly made, the bill cannot be dealt with by the clerks of *Votes and Proceedings* or of the *Orders of the Day*, nor can it be sent to the Senate. The original bills, thus certified, form part of the records of the house.

Reference has been made to the wording of standing order 76. There is no indication in citation 717 of Beauchesne's third edition, which is a clear comment about what is being said in standing order 76, which would support the interpretation that the hon. member for Winnipeg North Centre (Mr. Knowles) has placed upon it.

Mr. Knowles: Which takes priority, a citation or a standing order?

Mr. Speaker: The hon. member for Winnipeg North Centre is contending that unless there is a motion that the bill do now pass and title be as on the order paper, the bill is not effectively passed. I say that the motion that the bill do now pass and title be as on the order paper is a relic of the past. It is kept merely for the purpose of amending the title which, because of certain consequential amendments in committee, has to be amended. Once the three readings have gone, the bill has been passed.

I am sorry to take so much time, but I shall be very brief from now on. At page 194 Campion says:

> No question is put on the title, unless it is required to amend it in consequence of amendments made in the bill, and, when so amended, no question is put on the title as amended.

Mr. Fulton: What edition of Campion is that?

Mr. Speaker: Campion in his first edition refers to May's thirteenth edition, page 411, where May says:

> When all the clauses and schedules have been agreed to, and any new clauses or schedules added, the preamble is considered and, if necessary, is amended; and the chairman puts the question, "That this be the preamble of the bill." Lastly, in the Lords, the title of the bill is considered and agreed to; and in the Commons, any amendment that may be necessary is then made to the title.

Then in May's fifteenth edition, at page 554, there is this:

> The question "That this bill do pass" is no longer put in the House of Commons, and according to established usage, a bill, when read the third time, has passed. The form, however, is preserved in the *Votes and Proceedings* and *Journals*, where the bill is recorded as having been read the third time and passed, . . .

I would say that here we have kept the form. The form has not fallen into desuetude as it has in the United Kingdom. In the United Kingdom when they amend the title in committee they do not even refer to it after third reading. The entry is made, "Bill read third time and the title be—" and they repeat the new title as amended in committee, whereas here when a bill has been amended in committee we put the motion that the bill do now pass and title be not as on the order paper but as amended in committee. See Beauchesne's third edition, citation 692. So, although the form has fallen into desuetude in the United Kingdom, we still use it, but I say it is used merely as a formality. It is a link connected with the main motion which is the third reading of the bill.

Now, I have taken enough time and this is the ruling which I feel I should make.

Mr. Knowles: With respect, but because I believe this final motion is separate from the third reading, according to our Canadian practice and our Canadian standing orders, I appeal your ruling.

Mr. Speaker: Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

As the hon. member for Winnipeg North Centre rose to submit his point of order before the Deputy Clerk had a chance to stand up and say "Third reading of this bill", may I be permitted now to ask the Deputy Clerk to perform that duty?

The Clerk Assistant: Third reading of this bill.

Mr. Speaker put the question as follows:

Mr. Knowles raised a point of order to the effect that, when the motion for third reading of the bill had been disposed of, the terms of the motion adopted in this sitting had been met; and since the motion "That the said bill do now pass and the title be as on the order paper" was a distinctly separate question, it could not be taken after the ordinary hour of adjournment.

I ruled that the motion "That the bill do now pass and the title be as on the order paper" was votable, but since it was a formal procedural motion connected with the question for third reading, it must be decided forthwith, in accordance with the terms of standing order 33; whereupon Mr. Knowles appealed to the house from my ruling.

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:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McLeod
McMillan
McWilliam
Mang
Marler
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair

Northern Ontario Pipe Line Corporation

Smith (Battle River-Camrose)	Villeneuve
Stick	Vincent
Thibault	Weaver
Tucker	Weir
Valois	Weselak
Viau	White (Waterloo South)
	Winters—148.

NAYS

Messrs:

Aitken, Miss	Lennard
Balcer	MacLean
Barnett	McBain
Bell	McCullough (Moose Mountain)
Blair	McGregor
Bryce	Michener
Cameron (Nanaimo)	Mitchell (London)
Casselman	Monteith
Castleden	Montgomery
Charlton	Nesbitt
Churchill	Nicholson
Coldwell	Nowlan
Diefenbaker	Pallett
Dinsdale	Pearkes
Drew	Perron
Dufresne	Rea
Fairclough, Mrs.	Robinson (Bruce)
Fleming	Small
Fulton	Stanton
Hamilton (Notre Dame de Grace)	Starr
Hamilton (York West)	Stewart (Winnipeg North)
Hees	Tustin
Herridge	Van Horne
Howe (Wellington-Huron)	White (Hastings-Frontenac)
Jones	White (Middlesex East)
Knight	Zaplitny—53.
Knowles	

Mr. Proudfoot: Mr. Speaker, I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted, I would have voted to sustain your ruling.

Mr. Martin: Mr. Speaker, I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted to sustain your ruling.

Mr. Speaker: I declare the Speaker's ruling sustained.

The question is now on the motion. Mr. Howe (Port Arthur) moves, seconded by Mr. Harris:

That the said bill do now pass, and the title be as on the order paper.

Those who are in favour of this motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to this motion will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

[Mr. Speaker.]

Do hon. members consider that their members have been called in for the purpose of this division?

Some hon. Members: Yea.

Mr. Speaker: Would the whips be kind enough to so indicate?

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson	Holowach
Applewhaite	Hosking
Ashbourne	Houck
Batten	Howe (Port Arthur)
Benidickson	Huffman
Bennett	Hunter
Bertrand	James
Blanchette	Johnston (Bow River)
Boisvert	Jutras
Bonnier	Kickham
Bourget	Kirk (Antigonish-Guysborough)
Bourque	Kirk (Shelburne-Yarmouth-Clare)
Breton	Laflamme
Brisson	Lafontaine
Brown (Brantford)	Langlois (Berthier-Maskinonge-Delanaudiere)
Brown (Essex West)	Lapointe
Bruneau	Lavigne
Buchanan	Leboe
Byrne	Leduc (Gatineau)
Cameron (High Park)	Leduc (Jacques Cartier-Lasalle)
Campney	Leduc (Verdun)
Cannon	Lefrançois
Cardin	Legare
Caron	Lesage
Carrick	Lusby
Carter	MacDougall
Cavers	MacEachen
Cloutier	MacNaught
Crestohl	Macnaughton
Decore	McCann
Demers	McCubbin
Denis	McCulloch (Pictou)
Deschatelets	McDonald
Deslieres	McIlraith
Dickey	McLeod
Dumas	McMillan
Eudes	McWilliam
Eyre	Mang
Fairey	Marler
Follwell	Matheson
Forgie	Menard
Fraser (St. John's East)	Meunier
Garland	Michaud
Gauthier (Lake St. John)	Mitchell (Sudbury)
Gauthier (Nickel Belt)	Monette
Gauthier (Portneuf)	Nixon
Gingras	Patterson
Gingues	Pearson
Goode	Philpott
Gour (Russell)	Pickersgill
Gregg	Pinard
Habel	Pommer
Hahn	Power (Quebec South)
Hanna	Power (St. John's West)
Hansell	Prudham
Hardie	Purdy
Harris	Quelch
Harrison	Ratelle
Healy	
Hellyer	
Henderson	
Henry	
Hollingworth	

Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—148.

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Casselman
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Fairclough, Mrs.
Fleming
Fulton
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hees
Herridge
Howe (Wellington-Huron)
Jones
Knight
Knowles
Lennard
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Rea
Robinson (Bruce)
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—52.

Mr. Martin: I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted for the motion.

Mr. Proudfoot: I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted, I would have voted for the motion.

BUSINESS OF THE HOUSE

Mr. Drew: What is the order of business for tomorrow?

Mr. Harris: It would be the government's intention on government orders to take interim supply.

Mr. Drew: There has been no notice given that would make it possible for this to be taken up tomorrow.

Mr. Diefenbaker: Are you going to abolish the rules on that too?

Mr. Drew: There is nothing appearing on the order paper.

It being 3.20 a.m. the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

BUTTER SALES, INSTITUTIONS

Question No. 431—**Mr. Thatcher:**

1. Has the policy of selling butter to hospitals, orphanages and other institutions, at a reduction of 21 cents per pound, resulted in a material increase in the consumption of butter by these institutions.
2. If not, is the policy being continued, and for what reason?
3. Since its inception, what has been the total cost of the policy to the taxpayer?

Answer by: **Mr. McCubbin, Parliamentary Assistant, for the Minister of Agriculture:**

1. Reports from a 75 per cent sample of institutions indicate an increase of approximately 9 per cent.
2. The policy is continuing.
3. $1,752,977.05 to May 18, 1956.

DEPARTMENT OF AGRICULTURE—QUEBEC BRANCHES

Question No. 499—**Mr. Boisvert:**

1. How many branches of the federal Department of Agriculture are there in the province of Quebec?
2. How many employees are there and what is the total amount paid them per annum?

Answer by: **Mr. McCubbin, Parliamentary Assistant, for the Minister of Agriculture:**

1. 27.

2. (a) 819 as at April 1, 1956; (b) $2,703,-794.98 paid in salaries and wages to Department of Agriculture employees in the province of Quebec during fiscal year 1955-56.

APPENDIX

ADDRESS

of

HIS EXCELLENCY DR. SUKARNO

President of the Republic of Indonesia

to

MEMBERS OF THE SENATE AND THE HOUSE OF COMMONS

in the

House of Commons Chamber, Ottawa

on

Tuesday, June 5, 1956, at 10.20 a.m.

The President was welcomed by the Right Hon. L. S. St. Laurent, Prime Minister of Canada, and thanked by the Hon. Wishart McL. Robertson, Speaker of the Senate, and the Hon. L. René Beaudoin, Speaker of the House of Commons.

Right Hon. L. S. St. Laurent (Prime Minister of Canada): Mr. President, we are honoured by your presence here today, for your visit to Canada is tangible evidence of the growing friendship between our two countries. Let me assure you, therefore, of the pleasure which your visit to Canada, to our capital and to this parliament gives us.

If I may take the liberty of making a personal reference, Mr. President, I should like to say that I still recall with the best of memories my own too brief visit to Indonesia in 1954, when you made me welcome and we first became acquainted. I join with my colleagues in the hope that your sojourn in Canada will be as pleasant and rewarding as was my own among the friendly people of Indonesia, whose gracious hospitality I shall always recall with pleasure.

Although it is true that vast distances separate our two countries geographically, there exists no such distance or distinction between the hopes and aspirations of our two peoples. We share in the hopes for the building of strong and vital nations, states well adjusted in their relations with their neighbours and anxious to be on good terms with all peoples of good will.

Canada is a young nation made up of diverse races which have brought to this continent cultures and traditions of other lands out of which we are building a united society. Indonesia too may be proud of her own ancient peoples and traditions, of her rich cultures which today she seeks to preserve and adapt to the demands of the twentieth century. Both our peoples have inherited countries rich in natural resources which we desire to develop to improve the living standards of our peoples. We both know that national development cannot be achieved by international isolation. So we in Canada take much satisfaction in our co-operation with you in the United Nations and in the modest assistance toward your economic progress that we can make through the Colombo plan.

As parliamentarians, Mr. President, we have followed with a lively interest the events associated with the convening of Indonesia's first elected parliament. We know something of the difficulties which were involved in conducting your first national elections last autumn and of the magnificent way in which your people overcame those difficulties. I hope that on your return to Indonesia you and the other distinguished parliamentarians who accompany you will convey our greetings to the members of your new parliament.

I am sure that my colleagues and friends are aware, Mr. President, of the high esteem in which you are held by your people. In Indonesia the name of Sukarno is synonymous with the achievement of national independence, and to a degree which would be the envy of any statesman you enjoy and richly deserve the title of father of your country.

Therefore it gives me great pleasure, Mr. President, to welcome you to the Canadian parliament. I now invite the President of the Republic of Indonesia to address us.

President Sukarno of the Republic of Indonesia: Mr. Speaker, I am deeply grateful for this opportunity of addressing the distinguished parliament of this great country. I am also deeply grateful for the invitation which has brought myself and your other Indonesian guests to these hospitable shores.

Address by President of Indonesia

In one very important sense Canada and Indonesia are neighbours. Your country is both an Atlantic power and a Pacific power, and travelling west from your shores the Republic of Indonesia is a neighbour of yours. Nothing is more important than knowing one's neighbours; that is one more reason why I was so glad to receive this invitation to visit you.

I feel that there is a close link between Canada and Indonesia. Both of these countries are on the verge of a great new period of development, and I am firmly convinced that the future of both countries will bring increased prosperity and increased happiness for all mankind.

Perhaps there is another link between us. In terms of history it is not so very long since Canada released herself from colonial bonds. If I am not mistaken, the uprisings in both Upper Canada and Lower Canada in 1837 did not immediately bring national independence, but they did bring a new political constellation, which led directly to the granting of responsible government to those colonies we now know as Canada. That new political constellation was a direct ancestor of the British North America Act which even today serves, with its amendments, as your constitution.

With us it was different. My nation still had almost one hundred years of colonialism to undergo after the Canadian people had assumed the mantle of nationhood. Our independence did not come smoothly, but it came eventually as a result of war, of enemy occupation, of revolution, and, most important, of a national struggle lasting decades. But now that great struggle is partly over. The Republic of Indonesia has joined the family of nations and seeks to play a full part in the joint tasks and joint responsibilities of that family.

Standing before the members of this parliament and before you, my thoughts inevitably fly to the far-flung homes of the Canadian people who have chosen you as their representatives and who have handed to you the responsibilities of government. I would like to convey to those people, spread over this vast country, the most sincere greetings from myself, from members of my party, and from the Indonesian people. Further, I wish to convey to you the most grateful and heartfelt thanks of the Indonesian people for your assistance in the past, and our hope that this visit will lead to even closer relations in the future. It would not be surprising if even closer relations should develop between neighbours, even though they are separated by the thousands of miles' expanse of the Pacific ocean.

Mr. Speaker, allow me to say a few words to the French-Canadian members.

(Translation):

May I be permitted to say a few words to the French-Canadian members. As first citizen of my country, I feel greatly privileged to extend to you the most cordial and sincere wishes of the Indonesian people whom I have the honour of representing here. They are the wishes of a friendly nation whose ideals and interests are almost identical with yours. Such similarity is quite logical since, in all democratic countries, the roots of civilization are basically the same.

Moreover, I avail myself of this opportunity, which is unique in our history, to thank you for the warm welcome you have given me.

(Text):

Mr. Speaker, it is obviously true that the land, the climate and the people are the basic elements for the making of any nation. The future of that nation depends greatly upon what is done with the land and its resources. The political future of the nation depends, it is clear, upon the organized strength of the nation, and the social and cultural development of the nation can be measured only by the people's victory over their environment.

Like Canada, Indonesia is a vast country. We have more than 3,000 inhabited islands and our archipelago runs from Malaya to the north of Australia. It is a vast country of 82 million people and—I do not say this in any boastful spirit—it is today the third largest democracy in the world. Our nation is young in this modern world of ours, but it does not enter the family of nations empty-handed. I know that Canada is just beginning to exploit the great wealth bestowed by God upon this country: we of Indonesia are in the same position. The difference between us is that Canada's great natural wealth could not be exploited until science and technology had reached their present level. Indonesia's natural wealth could have been exploited—to the benefit of humanity—long ago. But we laboured under colonialism.

Now we can see no limit to the possibilities of development. It is no exaggeration to say that even we of Indonesia do not know the wealth of our country. It is no exaggeration to say that many of the islands composing our archipelago have hardly been explored, let alone exploited. When modern technology and modern science are devoted to the task of extracting the maximum from those islands, then I say with no fear of contradiction that Indonesia will contribute very, very greatly to the material well-being of this interdependent world of ours.

Furthermore, it is my belief that Indonesia and the other newly reborn countries of

Asia and Africa have other gifts to bring to the world. I would like to quote to you a passage—a very short passage, but a very important passage—from a booklet distributed by the Canadian government. This booklet was distributed three years ago throughout the countries of southeast Asia and, speaking of Asia, it stated that:

> Although we may have something to give and to teach, we have also much to receive and to learn. In this vast country of ours, we have found out how we may live and prosper, but from the east, with its ancient cultures, we have much to learn of the abiding things that bring comfort and delight to the mind and heart.

Mr. Speaker, that may well be true. What is equally true is that from the east also can come great material benefit, material benefit for all countries, material benefit both for the west and the east, material benefit for the whole world.

I know that it is a truism to talk of the interdependence of nations; I know that almost every speaker today refers to this, but it is sometimes difficult to appreciate just what it means in cold reality. The government of Canada has obviously a real understanding of the position: this is shown clearly by the fact that each year Canada contributes more than $25 million to the Colombo plan. As the representative of a country, and as the representative of a nation benefiting from this aid, I know what the Colombo plan means and, please believe me, I express the gratitude of my people for this example of the brotherhood of nations and the interdependence of mankind.

We are indeed grateful for all assistance which comes to us, from whatever quarter of the globe it may come. We struggled long for our national identity. We love that national identity, we hold that national identity dear as life itself. We aim, therefore, above all things, to maintain and preserve that national identity. I assure you in all seriousness: nothing will ever take that from us. No hope or promise of quick reward will persuade us to barter one scrap of our independence, for to us that independence, that national independence, is more precious than any other thing in this world.

When I first set foot in the United States I expressed my hope of observing America, amongst other things, as a state of mind. It is important that Asia and Africa be seen as a state of mind. And what is that Asian and African state of mind? Essentially it is the determination that the nations of Asia and Africa develop their own national reality. I use the word "reality" advisedly, because a nation is a reality.

Who could doubt that after observing the post-war world? In particular, perhaps, who could doubt that after observing the Asian and African conference which was held in Bandung a year ago? That great and historic meeting of twenty-nine states showed clearly the path of history in this post-war and troubled world. Representatives of more than half of mankind, pre-representatives of 1,600 million people, met together in one of Indonesia's mountain cities, and discussed problems common to them all.

Those national representatives of Asia and Africa discussed the basic problem of where their nations stood in this modern world. I know that it is not necessary for me to tell you of the result of that conference. You know that a long and all-embracing resolution was unanimously adopted. That result answered the basic question of where those nations stood. It answered the question of what the peoples of Asia and Africa sought and desired. Those assembled representatives of the majority of mankind clearly expressed their opposition to colonialism in all its forms. That is a basic fact in the mid-twentieth century.

Above all things, this is the period of Asian and African nationalism. This is the era when the old conditions, the old and hated pattern of world society is undone. Who can be surprised by the fact that colonialism, whatever form it assumes, whatever mask it may hide behind, however it may disguise itself, is indeed a hateful and a disgusting thing? I will tell you this: colonialism left Indonesia with a heritage of illiteracy, a heritage of human sickness, of human ignorance, of human degradation, which was a disgrace and a menace to the twentieth century. We had the highest illiteracy rate in the world. We had the highest mortality rate in the world. We had the lowest living standard in the whole world: one "goband" a day, two and a half guilder-cents a day—not even one dollar-cent a day. Our country was rich, but its wealth did not serve to alleviate the misery and ignorance of our people. Having achieved independence, we still feel the consequences of 350 years of colonialism. And those consequences are not light ones.

Illiteracy, sickness which science has long known how to control, technical backwardness, great social inequality, great economic backwardness, were our inheritance, but under a national government, under a government dedicated to the uplifting and progress of our people, these things are not insupportable or unchangeable.

Just eleven years ago almost all of our people were illiterate; today less than half of our people are illiterate. Perhaps it may seem that I am boasting. I do not intend to boast, but I am immensely proud of the achievement in this field, and I am immensely

proud of our national progress in other fields. We a nation previously numbered amongst the voiceless and the unconsidered in the world, a nation previously numbered amongst the unregarded—we have, for example, but recently completed, to our great satisfaction, the very first general election in our country. This is a considerable achievement, and I am proud of it. I am proud of it because it shows a degree of political progress which could hardly have been expected of a nation which only eleven years ago was not even considered by the world.

We elected, under conditions of universal suffrage and secret ballot, a parliament and a constituent assembly. Although I know well that those things alone are not a guarantee of democracy, I know equally well that without those things democracy cannot exist. We have chosen, and chosen after proper consideration, the democratic path to national fulfilment and national emancipation. We have chosen the path of Pantja Sila, the five principles of our state. They are: Belief in God; nationalism; humanitarianism; democracy, and, last of all, social justice. It is our belief that this path will lead us most rapidly to the full and useful life which every nation ought to contribute and enjoy in our present-day world.

We all know that there is more than one road to participation in the world's affairs. We have chosen this Pantja Sila road. It is our sincere hope, our most sincere hope, that it will lead to success.

I am told that people are sometimes surprised at our attitude toward certain international problems in the world. We do not automatically accept the views of any group of people. We do not join in any military organization. We intend to be ourselves. It is true, it is very true, that we are enthusiastic members of the United Nations, and we see in the United Nations the faint outlines of a future world organization. We call our foreign policy not a "neutral" foreign policy; we call our foreign policy "independent" and "active". We call it so because we take an independent line in accordance with what we see as the best interests of the world and our own nation, and we act upon that.

One of the draftsmen of Canada's greatness, Sir Wilfrid Laurier, said in the year 1900:

> I claim for Canada this: that in future Canada shall be at liberty to act or not to act.

In those words that great prime minister, that architect of the future, summed up the foreign policy which we of Indonesia choose to follow today.

We seek to follow a policy which will give the greatest benefit to all mankind, and if that foreign policy should sometimes run counter to what you believe and act upon, believe me when I say that what we do and how we vote is dictated by our ideals, and not by any spirit of opposition.

Yes, we are separated, as I said, by the Pacific ocean. But we are also joined by the Pacific ocean. We are neighbours, and nothing is more important than that neighbours should understand each other. I have not come to your vast country to negotiate any treaty. I have come with the hope that this short visit of mine will lead to a better understanding between our nations. If this should be so, I will be well content. You have a great future with your neighbour and friend to the south, the United States of America, that vast country which I so recently visited. There is a saying that "an unseen frontier of friendship" exists between Canada and the United States. It is my prayer that between us of Indonesia and this country of Canada a similar frontier of friendship may develop and grow strong.

Again I say, if our foreign policy should sometimes run counter to what you believe in or act upon, it is dictated by our ideals and not by a spirit of opposition. So let our friendship be strong.

Mr. Speaker, ladies and gentlemen, I beg you, do not underestimate the force of the nationalist torrent which is today pouring over Asia and Africa. It is a mighty torrent, and one thing is certain; we are in the midst of an historical change which is vital for the whole future of mankind. It is a nationalist torrent, and that torrent is not directed against anyone or any nation. It is a torrent whose object is the greater freedom, the greater liberation, of mankind. I say this in all seriousness: any attempt to stand against that torrent will be vain, just as every attempt ever undertaken to stand against an historical process has been vain. This torrent is directed only against the outworn principle of colonialism. You may call it a destructive torrent, but it is one which is destructive only of colonialism and one which will lead to a greater and wider horizon of freedom for all men everywhere and in every country. In the framework of history it is constructive and progressive.

Today most of my own country is free, most of my own nation is enjoying the fruit of independence, but to our sorrow and continued dissatisfaction a part of our nation and country still suffers under colonialism, that plague on mankind's fulfilment. West Irian—perhaps you know it better as West New Guinea—is still unfree. Until West Irian is rejoined to the rest of my country Indonesia will feel herself incomplete and insecure. There can be no question that West Irian is

part of Indonesia, and indeed until 1950 no one in the world would have dreamed of denying that fact. Until we are united with our still unfree brethren we of Indonesia will never be content, because we know just what colonialism means in terms of human unhappiness, in terms of human misery and human degradation.

In this world of ours, troubled and uneasy though it is, there is still much success and many gains for the peace and security of men. Whatever we have gained has been won because man's understanding of other men as brothers has increased.

This is essential. Mankind the world over is basically the same, whatever cultural or ideological details may appear to divide it. Understanding and sympathy are necessary. Active understanding and active sympathy will help relieve the strains and tensions in the world. This is really my message to you. Give us your understanding and your sympathy. Give us, if you can, your active understanding and your active sympathy. If you do that, and if we of Asia and Africa retain that active sympathy and understanding, then the future of the world can indeed be bright. Yes, mankind is basically the same, whatever racial or ideological details may appear to divide it. Why should mankind divide itself? Look, Indonesia is a country with many religions and many faiths. We have in Indonesia Moslems, we have Christians, we have Civa-Buddhists, we have peoples of other creeds. We have many ethnic units, such as Javanese, Achinese, Balinese, Madurese, Sundanese, etc. But, thank God, we have our will to unity.

We try to practise our state motto "Bhinneka Tunggal Ika", which means "Unity in Diversity". We are tolerant to each other, we are one nation. One of the most remarkable phenomena in modern history is that we of Indonesia, although living on 3,000 islands, are united in one nation, without pressure, without compulsion, without civil war.

What, then, is our unifying force? It is the will to unity, it is "le désir d'être ensemble", instead of suspecting each other, dominating each other, threatening each other and colonizing each other—living at each other's expense.

We of Indonesia try to practise "Bhinneka Tunggal Ika" amongst ourselves. Let us try to practise "Bhinneka Tunggal Ika" amongst nations.

Then, only then, can we look up again to the stars and say, "Thank God, for You have given us this world, and we have lived according to Your word."

Hon. Wishart McL. Robertson (Speaker of the Senate): May I, Mr. President, thank you on behalf of the Senate of Canada for coming to us and for the eloquent and inspiring address you have just delivered.

We realize that you are the first head of an Asian state who has ever visited this parliament. We were disposed to extend to you a hearty welcome, for your reputation had preceded you. We were disposed as well to extend that hearty welcome because of the great respect we have for the Indonesian minister in Canada, and extend that welcome on the part of all those who have come under the charm and influence of his personality.

We are more honoured and pleased on this occasion, Mr. President, because Indonesia, although a young nation as the age of states is reckoned, has become a leader of that community of nations in Asia and Africa which are newly independent or just emerging to take their rightful place in the family of free nations. It was just over a year ago that the achievements of the Asian-African conference held in Bandung, Indonesia, brought dramatically to the attention of the whole world the fact that a new and powerful force was present in world affairs. We welcome this new force which is based on the independence and equality of the people of Asia and Africa. There has long existed among the people of Canada sympathy and understanding for the aspirations of countries like Indonesia which are engaged in the great task of creating new nations out of ancient civilizations.

You, sir, have been a most powerful spokesman not only for Indonesia but for that larger community of which Indonesia forms a part. We leave this chamber with a clearer understanding of the important matters with which you have dealt and we sense that, great as may be the geographical distances which separate our two countries, we are close in mind and heart. We would ask you particularly, Mr. President, to convey to your parliamentarians and the people of your country generally our warmest expressions of esteem and friendship.

Indonesia is the world's sixth most populous nation, and her natural beauties and resources are justly famous. She may be proud, Mr. President, of her accomplishments at home and her reputation abroad. We wish her well in all her future undertakings.

(Translation):

Hon. L. René Beaudoin (Speaker of the House of Commons): Mr. President, right hon. Prime Minister, hon. Speaker of the Senate, hon. members of the Senate, hon.

members of the House of Commons, ladies and gentleman:

While listening this morning to the President of the Republic of Indonesia, who enjoys such prominence and popularity in his own country, because of his struggle for her independence, and especially because of the well-deserved success he has achieved as a result of perseverance and courage, I recalled a statement once made by a Canadian writer to the effect that the spirit of independence is deeply rooted in the heart of peoples. And if, under certain circumstances, and by virtue of certain historic rights, that spirit is sometimes subjected to equitable laws, it is nonetheless true to the laws of nature and to common aspirations that societies develop in the sense of their autonomy.

This same struggle to which you referred a while ago, Mr. President, we have experienced at home, albeit without clash, or blow, and, especially, without bitterness, so that here, that is to say in the commonwealth, the symbol of the crown and the good will of all parties are the only bonds which make it a united whole.

While listening to you, Mr. President, we noted that your problems were quite different from ours, though quite as complex. Canada, which is a sovereign country, has always avoided interference in the domestic problems of other countries, and so we are in a position to wish for you, and to hope with you, that they may all be solved in accordance with your wishes, for the greatest good and prosperity of your country whose noble aspirations you symbolize so admirably.

In this task you are ably supported by your Minister of Foreign Affairs, Mr. Ruslan Abduglgani, whose presence at your side I note with pleasure.

(*Text*):

To you, Mr. President, to your able Minister of Foreign Affairs and to the people of Indonesia, may I express the best wishes of the Canadian people and of the members of this house, and also the sincere hope that you will be successful in all your worthy enterprises till you have fulfilled your cherished ideals.

HOUSE OF COMMONS

Wednesday, June 6, 1956

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

BANKING AND COMMERCE

Sixth report of standing committee on banking and commerce.—Mr. Hunter.

RAILWAYS, CANALS AND TELEGRAPH LINES

Seventh report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch (Pictou).

SUPPLEMENTARY ESTIMATES, 1956-57

Hon. W. E. Harris (Minister of Finance) moved:

That the message of His Excellency, together with the supplementary estimates presented on June 5, be referred to the committee of supply.

Motion agreed to.

HOUSE OF COMMONS

MR. DREW—MOTION OF NON-CONFIDENCE IN PRESIDING OFFICER OF THE HOUSE

The house resumed, from Monday, June 4, consideration of the motion of Mr. Drew:

In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, almost the first words spoken by the Leader of the Opposition when he submitted this motion for the consideration of the house on Monday were the following:

The Speaker has held the regard, I think I can say without any question the deep affection, of most members of this house. It is with the utmost regret, not only on my own part but I know on the part of others, that a motion of this nature should have become necessary at this time.

We on this side of the house certainly do not feel—and I am sure there are many on the other side of the house who do not feel—that this motion was either necessary or warranted. We feel that the views expressed by the leader of the C.C.F. party, when he recalled the discussion which took place in this chamber about a year ago that it might be desirable for this house to have the speakership a permanent office that would go on from one parliament to another, are views that would still be valid at the present time.

We feel that your conduct in the exercise of that office from the day you first took your place in the chair has been such that it deserves the commendation and affectionate regard of all hon. members of this house. I am sure that, distressing though it must have been to you, sir, to have to occupy the chair while this motion was being discussed on Monday, your conduct and the manner in which you presided over the deliberations of the house at that time have earned for you another degree of admiration and respect of the hon. members of this house on both sides.

When I moved that the debate be adjourned I thought that on reflection it might be possible that the house would not have to make any pronouncement upon the motion, and that the hon. gentleman who had moved it would feel that the best interests of parliament would be served by withdrawing the motion. Apparently that is not to take place and the matter probably will have to come to a decision.

The hon. member for Vancouver-Kingsway (Mr. MacInnis) suggested that it should be disposed of and that there should be a decision of the house upon it at the earliest possible moment. I think that is desirable if the matter has to be proceeded with, and I shall add nothing further to what I said on the previous occasion because I think your conduct is the best refutation of the statements made in the motion and that most hon. members would feel that they should at the earliest possible moment be able to signify their formal view that that is the fact.

Therefore I suggest that it be disposed of on the same high plane which was maintained on Monday; and now that the very contentious measure which was the occasion for the events which preceded the motion has passed out of our hands I would hope that calmer views will prevail and that we can get back to a position where we will be able to discharge our duties to the country with respect to the matters which have to be dealt with at the earliest possible moment.

Mr. Drew: Mr. Speaker—

Mr. Speaker: Are we to take it that the hon. Leader of the Opposition is to speak with unanimous consent and will not close the debate?

Mr. Drew: I shall not speak because I do not want to raise any question of being in the position of closing the debate. I shall defer my remarks until later.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this indeed is a time when the solemnity of the occasion denies anything in the nature of vengeful feeling or indeed the expression of strong views. I do not know of any occasion in the years I have been here when I have risen with less relish than I do now; for indeed this house and parliament walk with history when events such as these occur and when a motion such as that which was proposed by the Leader of the Opposition comes up for consideration in this house.

With the viewpoint of the Prime Minister that it is a momentous occasion, no one can disagree. I would remind the Prime Minister of this, however, with regard to the remarks he made today. When the motion was made the Prime Minister in effect stated that what was being done was an attempt to delay the pipe-line debate and disarrange the timetable of the government. That was not the purpose. In continuing the debate may I say that I am of those who believe that Mr. Speaker is in the position in which he now finds himself because of the improper acts of the government. That was revealed when the Prime Minister stated yesterday that what took place on Friday would have prejudiced the government.

I speak as one who has had toward Mr. Speaker those feelings that have been referred to over and over again, but this motion is more than a personal one. It is based on the demand for a perfect dedication to the preservation of the ancestral rights of the members of the House of Commons, requiring that Mr. Speaker maintain the privileges of parliament. In so far as Mr. Deputy Speaker is concerned, the Leader of the Opposition endeavoured to have a motion brought before the house but that opportunity was denied. Having regard to the contents of that motion, in order once more to restore this house to a sense of its responsibility I believe that the Deputy Speaker should indeed present his resignation.

It is in keeping with the seriousness of this occasion that we maintain dignity and restraint—the Prime Minister did so during the course of his remarks—for all of us know that if freedom is to be maintained this place must remain its national temple for our country. It is not an unusual motion, although until 1925 in the mother of parliaments it had not been made within the memory of any living member of parliament. Parliament has been described by Quintin Hogg in these words:

> . . . a priceless possession, not to be exchanged for anything more meretricious . . . an ancient family mansion which has been lived in continuously for a period of centuries.

Freedom is maintained by successive Speakers, who have it in their hands and their power to sustain the rights of members in all parts of the house and to assure that the ark of the covenant for Speakers is that all members have equal rights and that at no time shall there be a deviation, however beneficial that might be to the government of the day or however detrimental or prejudicial to the wishes of the government of the day any order made by Mr. Speaker may be.

Mention has been made of the regrets that all of us have for the events that have taken place. I indulge in no recriminations. I am of those who join the Prime Minister in their love of parliament and in the maintenance of those amenities which are above the temporary advantages of controversy in this house. Indeed, one of the elements that distinguishes parliament from other representative institutions was set out many years ago by Sir William Harcourt on June 24, 1895, when offering his resignation as leader of the house. He said this:

> I would ask leave to say that for every man who has taken part in the noble conflicts of parliamentary life, the chiefest ambition of all ambitions, whether in the majority or in the minority, must be to stand well with the House of Commons.

That is a principle that we maintain as an ideal, however often in the thrust of debate we lose sight of the goal which is ours. In order to maintain parliament as an instrument of freedom, a fearless and determined opposition whose rights are respected is of the essence. To that end rules have to be interpreted fairly, for when the interpretation of the laws of parliament is altered or changed in order to meet the demand of the majority or has the appearance of being so altered, then the rights of parliament are violated and tyranny is substituted for justice. I fear that in the years ahead what has taken place will be looked upon as the temporary passing of parliament, when rules were swept away, when the demands of justice were disenthroned and when the doctrine which was the negation of democratic rights was enthroned, that might is indeed right.

Sir, all of us have read works on parliament and on the rights of the Speaker. One of the finest works on the subject was written by Herbert Morrison. He sets forth in his

book "Government and Parliament" the sanctity of the position of Speaker. I am not going to read from it; I am simply going to make my own summary and it is this. The responsibility of the Speaker is—and I paraphrase the words of another that were written over 2,500 years ago—to combine that degree of freedom of speech without which parliamentary rules are tyranny and that degree of parliamentary rules without which freedom of speech would become licence.

Throughout the ages Mr. Speaker has been in imminent danger of displeasure at the hands of the sovereign. I do not quote British precedents because the appointment of our Speaker is so different, but under the British system the speakership is a permanent appointment. His impartiality denies that he be the subject of directives or otherwise from the government. His concern is not whether his action may prejudice the government or the majority. To dare place him in that position is to make Mr. Speaker a sacrificial instrument at the will of the government. That he will err no one denies; that he will sometimes make mistakes is admitted; that he will sometimes be wrong is accepted; but that he will ever be on the side of wrong is to deny the traditions of his high office.

Sir Robert Borden described parliament in 1929, sir, when he accepted from the mother of parliaments at Westminster the gift of the chair in which you now sit. He said this:

> The parliamentary institutions which we hold as of right and not of grace were won by a common ancestry and through gradual evolution and development during the past five or six centuries.

It is because we believe this that we alternate as between English-speaking and French-speaking Speakers.

> The man who summoned the first gathering that might be regarded as the forerunner of the commons house of parliament of Great Britain as that of Canada was a Frenchman, born in France. Thus we can look back with satisfaction upon the fact that Saxon and Norman five or six hundred years ago stood side by side in the assertion of liberties that are ours today.

It is because of that great tradition that we in this parliament must assure that our prerogative rights must be maintained, must be assured, shall in no way be diminished, and may not be curtailed at the hands of the majority, however desirable that curtailment may be.

I mentioned that there was a recent instance in the mother of parliaments. I am not going to speak at length in this regard. However, to those who are interested the motion appears in the British *Hansard* of May 25, 1925, moved by Captain Wedgwood Benn, to the following effect:

> That, in view of the express provisions of standing order No. 26 for the protection of the rights of minorities, this house regrets the action of Mr. Speaker on the 25th May, 1925, when, contrary to recent precedents, he granted the closure at 11.45 p.m. on the first day's debate on the motion for the second reading of the finance bill.

Outstanding leaders of Liberalism spoke on that occasion. Sir John Simon, afterwards lord high chancellor, dealt with the rights of parliament and the need of Mr. Speaker preserving at all costs the rights of the minority and also of assuring that those rights shall in no way be diminished. Right Hon. David Lloyd George spoke on the same occasion. In detail he set forth the facts at pages 1605 and 1606, and I paraphrase his early remarks, that the majorities of today become the minorities of tomorrow and what is done to minorities today will create precedents that in future years will be used against those who become minorities. At page 1607 he said this:

> I have, in this house, been one of the leaders of great majorities for 17 years, but I am prouder of the fact that once upon a time I was one of seven, trooping into the lobby amidst the jeers of a triumphant majority. I am prouder today of that fact, and it did not take many years before that triumphant majority melted away amidst the derision and scorn of the people of this country. I know majorities must prevail if you are to govern, but minorities must also be heard if liberty is to be preserved, and it is because I think that the liberties of this house have been curtailed and that a fair opportunity has been denied, not to us, but to the House of Commons—we only wanted our share whatever it was—

I say, sir, those words represent the situation here. This motion is not a partisan one; this motion is one that is moved not for the benefit of the minorities of the present but for the benefit of minorities that are yet to come. And I say to the Prime Minister through you, sir, that Mr. Lloyd George on that occasion pointed out how soon those transitions do take place.

I have gone back over the years, and the earliest occasion I can find is in 1628. At that time the then Speaker, Mr. Speaker Finch, refused to listen to the requests of the members of the house of that day. He was asked to speak on their behalf, to be the custodian of their rights, and he refused to do that although according to the ancient privileges of parliament as they then existed it was his responsibility so to do. He was urged to act; he refused, and a member of parliament, Mr. Peard, said this:

> If the Speaker will be silent, we are dumb. That is blowing up the house without gun powder.

That is the regard that members had as far back as 1628 for the tremendous responsibilities that rest upon the Speaker.

I am not going to go over the details of the last few days but, sir, what took place on Friday, June 1, as recorded at page 4537—and I say it with a deep sense of responsibility; I say it with sadness—was a denial

of the rights of the House of Commons to a degree that members, whatever side they are on, ought not to accept with equanimity.

Your Honour had made a ruling the night before, on Thursday, May 31. You had ruled that the hon. member for Nanaimo could speak. In effect you endorsed the question of privilege he raised. You indicated that certain portions of the letters might raise privilege, and you wished an opportunity at some time to point out those sections that did not. You made a ruling which was prejudicial to the government's intentions and demands. You made it in keeping with the finest traditions of those who have occupied that honoured chair. Sir, why did you change the next day? The record gives no reason other than that you believed you had made a mistake.

Sir, there were scenes of indignation in this house. I am of those who, loving this institution, denied themselves the luxury of participating in some of the things that took place; but, sir, you will never understand the feelings of hon. members that were aroused when those ancient rights were negatived and the decision of the previous day was altered overnight, when parliament through you, sir, had taken its firm decision on the Thursday night and you altered that decision the next day.

You placed a proposition before parliament. I have searched the records and I can find no example that in any way can be considered a precedent. Can you not understand why hon. members were aroused? Can the government not understand? What would the Prime Minister have said if he had been on this side? However one looks at the decision on Thursday night, that decision was made; that decision could not be changed. To say that the House of Commons is its own master is simply to adopt a verbal subterfuge. That is why we were aroused, sir.

Mr. Speaker, I move the adjournment of the debate. The Prime Minister knows why.

Mr. St. Laurent (Quebec East): I second the hon. gentleman's motion. If it will be accepted by the house, I have a very sad announcement to make.

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

Some hon. Members: Agreed.

On motion of Mr. Diefenbaker the debate was adjourned.

THE LATE J. L. MacDOUGALL

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, many of us already have been informed of the very tragic event that occurred a few moments ago in this house in the sudden death of our very esteemed colleague, beloved by all of us, Mr. MacDougall, the hon. member for Vancouver-Burrard.

I think that it would be fitting, in view of the fact that this tragic event has occurred in this very building, at the moment he was to proceed to answer the call of the bell to take part in our deliberations this afternoon, that we might adjourn the house as a tribute to his memory and as an indication to all his friends of how terribly shocked we are at this tragic event. I would like to move, seconded by the Leader of the Opposition, that this house do now adjourn.

Mr. Diefenbaker: Mr. Speaker, if I might be allowed one word; forty years ago, on the 1st day of May, we were in the 196th battalion together. I have known the late hon. member through all those years.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, it is indeed with great regret that I heard a moment ago from the hon. member for Vancouver South (Mr. Philpott) that my good friend, Jack MacDougall, had passed away. I have known Jack MacDougall since 1935, when he was my opponent in the general election. We were political opponents but the very best of friends since that time and up to now. It is indeed with regret that I have heard of his passing, and I agree that in respect for the memory of one who took so much interest in the affairs of this house it would be proper to adjourn.

Mr. Solon E. Low (Peace River): Mr. Speaker, I would just like to say that we were shocked at the news of the untimely passing of the hon. member for Vancouver-Burrard, the Liberal whip for the British Columbia group. We join the Prime Minister in desiring, out of respect for him and to show our sympathy and understanding to his friends and relatives, that this house should be adjourned. We also wish at this time to join in indicating the high regard in which we held the hon. member, and to say that his strained attention here in the past weeks had certainly taken a terrific toll on him.

Motion agreed to and the house adjourned at 3.11 p.m.

ANSWER TO QUESTION

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

INCOME TAX—CAPITAL GAIN

Question No. 517—**Mr. Harkness:**

1. From January 1, 1946 to January 1, 1956, how many income tax cases have been assessed by the Department of National Revenue as income for taxation purposes when the taxpayer or company concerned had deemed the profit involved capital gain in his return?

2. What is the breakdown of these cases by provinces?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

1 and 2. Information not available.

67509—304

HOUSE OF COMMONS

Thursday, June 7, 1956

The house met at 2.30 p.m.

THE LATE J. L. MacDOUGALL

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, yesterday afternoon, shortly after we had commenced our proceedings, hon. members were deeply shocked to learn of the sudden death in this building of the hon. member for Vancouver-Burrard, Mr. John Lorne MacDougall. To indicate the respect in which we held our friend, it was unanimously agreed that the house should immediately adjourn for the remainder of the day.

Mr. MacDougall was born at Tiverton, Ontario, 57 years ago. He began his first service to Canada when he enlisted as a soldier in the first world war at the early age of 16. In taking this course, he followed the example of his four elder brothers and, like them, he returned to our shores at the end of hostilities bearing the scars of wounds inflicted during active combat.

Going to Saskatchewan after his war service, he plunged into an academic career, finished his matriculation and completed his arts degree, and then came to Toronto to study and graduate in dentistry. Unfortunately his health was so undermined by his war experiences that he was forced after three years to abandon the practice of his chosen profession.

Having moved to Vancouver, it was there in 1935 that he first stood for election to the House of Commons. Although unsuccessful in that attempt, he was elected for the constituency of Vancouver-Burrard in 1949 and was re-elected with a substantial majority in the last general election.

Mr. MacDougall was certainly among the best liked members of the House of Commons. His was one of those warm personalities that generate a friendly atmosphere wherever they may be. And yet, along with that cheerfulness, he had a very serious approach to the problems upon which we are called to express our views from day to day. He gave very careful study to the legislation before the house and stoutly defended the principles in which he believed. It was a mark of his fine character that he bore no ill feelings whatsoever against those who disagreed with him nor, I am sure, did any of his fellow members ever harbour any such feelings against him.

Despite his poor health, Jack MacDougall was a frequent contributor both to the debates of this house and to the work of the committees of which he was a member. He last spoke in debate on May 15, less than three weeks ago. He had been in constant attendance since then. The *Hansard* for June 5 records that he participated in the various votes which took place in the early hours of yesterday morning, including the last one at about three o'clock in the morning. He died just as he was on his way to take his seat in this chamber for yesterday's sitting. His faith in Canada and his devotion to the Canadian people and Canadian interests were demonstrated up to his last breath. He will long be remembered by all of us with affection and with high regard.

Mr. Speaker, I am confident that I speak for every member of this house when I express our very deep sympathy to Mrs. MacDougall in her tragic loss.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in joining with the Prime Minister (Mr. St. Laurent) in expressing our sympathy in the very sudden and sad loss of one who was a friend of every member of this house, I wish to concur in what has been said and also to express the feeling that those of us who did not belong to his party always had for him.

Jack MacDougall loved people. He gave friendship generously and he received it. Yesterday, on going through the building after the news had come of his very sudden death, it was noticeable that the members of the staff were all quiet and sad. Without exception they spoke of his friendliness and his interest in what they were doing.

All of us will recall the manner in which he mingled with the members of every party and, in doing so, expressed his genuine affection for those who shared with him responsibilities in this house. The House of Commons was a great part of his life. It was evident that for him what took place here was a very personal thing.

I think perhaps it was only symbolic that the end should have come as he was about to give another day's service here in this house. He had given great service to his country. He served well in the first world

war as a very young man. The three occasions on which he was severely wounded undoubtedly contributed to the ill health from which he suffered but about which he never at any time complained. His courage was equally great in the years of peace that followed. There was never a suggestion from Jack MacDougall himself of the uncertainty that he knew existed about the length of this life or about the disabilities from which he constantly suffered. We all remember his genial conduct on all occasions. As the Prime Minister has said, he carried no rancour. He held strong convictions. He expressed them. He held independent views as well as views that conformed with the party to which he adhered with great loyalty and sincerity.

I can safely say that there is as great a feeling of sadness on this side of the house as on the government side. Nevertheless, we do recognize the very special sense of loss to those who have been associated with him for many years. To the Prime Minister, to the members of the government and to all of his colleagues we extend our deepest sympathy. Above all our sympathy goes to his wife. I do not think any of us will forget the tragic circumstances under which she learned of his unexpected passing. She was in the gallery, as she had been so constantly during this session. She was taking her share in what had been a great partnership over the years that he had served the public so well. I think we can only express the hope at this time that for Mrs. MacDougall there may be some very real comfort in the knowledge that all of us here are thinking of her in her sorrow at this time.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, we were all profoundly shocked and distressed yesterday when we learned of the news of the sudden passing of our friend and colleague in this house, Jack MacDougall. We shall miss that hearty greeting he would give when you met him in the corridors in the morning or in the cafeteria or elsewhere. We shall miss that friendly way he had with him always. We can ill afford to lose, particularly at times like these, one who is universally friendly and for whom we have such a universal feeling of friendship. It brings home to us once again, Mr. Speaker, the fact that in the midst of life we are in death. Edmund Burke once said at the funeral of, I believe, a political opponent who was taken in the middle of a contest: "The worthy gentleman . . . has feelingly told us what shadows we are, and what shadows we pursue." Those matters which we felt so keenly about during the past week, whether on one side or the other, are after all fleeting things, shadows that flit away.

Mr. MacDougall has not only left many friends but he left in this house records of his work here. I am sure that whether we agree or disagree with the projects which he took over in this house, he urged them because he thought they were in the best interests of those who worked in offices, stores or labour throughout this country. I refer, of course, to the fact that he promoted the bill which caused the celebration of Victoria day to fall on Mondays instead of other days during the week. He did so because he believed, rightly or wrongly, that this was of benefit to the people whom he served.

So, Mr. Speaker, we join, too, in the tribute that has been paid. He was a fellow citizen of mine in the city of Regina for a while when he practised his profession which, we have heard, he had to relinquish on account of his physical condition. I think few of us realized the extent of the ill health which he suffered. We join with everyone not only in this house, but I am quite sure his countless friends across the country, in mourning his loss and expressing to his widow, who has been his constant companion throughout the years, our heartfelt sympathy in her sorrow and her grief.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, as a member of the Social Credit group of this house and as a representative from the province of British Columbia, it is my privilege this afternoon to pay tribute to the memory of a friend whose service to his constituents, to his province and to his country has been so very suddenly brought to a close. We in this group would like to join in the expressions of sorrow and sympathy that have been voiced in this chamber this afternoon.

Several qualities were evidenced by the late member for Vancouver-Burrard for which he will be especially remembered, and some of those have been mentioned by the previous speakers. One thing that has impressed me since I came to the House of Commons and had the privilege of getting to know Mr. MacDougall was his unfailing cheerfulness and his friendliness. Perhaps because I came here rather recently and Mr. MacDougall had been here for some time I appreciated that spirit all the more. Whenever we had the opportunity of meeting, regardless of the surroundings, there was always that happy and cheerful salutation, and I am sure that I as well as all other hon. members will miss that greeting in the days that lie ahead.

I also noted the devotion which characterized the life of our departed friend. His loyalty to the responsibilities that his constituents had placed upon him has left a deep impression upon my own life. I believe as well there was a real sense of the value of the moral and spiritual resources as far as our friend was concerned. On more than one occasion I listened to him as he addressed this house and made reference to his faith in God and the things which are spiritual.

There is another thing by which I shall remember him, and that is his sense of fairness. There are always sharp differences of opinion, as is expected in political life, but his loyalty to his own party and policies did not keep him from respecting the views of those who differed with him, nor did it keep him from giving credit when he felt such credit was warranted. Therefore, for those qualities of life and character I am sure we are all going to remember Mr. MacDougall.

We in this group would join in our expressions of sympathy to Mrs. MacDougall and assure her of our prayers at this time. Certainly, I am sure the prayer of us all is that God, who is the God of all comfort and grace, will be her sufficiency in this time of sorrow. We express our sympathy to his constituents in the loss of a faithful servant; we express as well our sympathy to the Prime Minister, to his colleagues and to the party of which Mr. MacDougall was a member. I am sure that today and in the future we shall all miss Jack MacDougall.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, may I, on behalf of my British Columbia colleagues and myself, add a word of tribute to the memory of the late member for Vancouver-Burrard who was taken from us so suddenly yesterday. May I also extend our very deep sympathy to his devoted wife who has given him such abiding help and encouragement and loyalty throughout the years.

As has been said here in such eloquent terms this afternoon, Dr. Jack MacDougall was greatly beloved by every member of this house. He was indeed "the happy warrior".

In spite of grievous wounds sustained in world war I, in spite of recurring illnesses which afflicted him throughout many years, and even latterly as he well knew under the very shadow of death itself, he was always active, cheerful and inspiring. I am sure that the sheer courage with which he triumphed over all the vicissitudes of life will long continue to be an inspiration to every member of this house.

He was a great Liberal and a strong party man, yet he could upon occasion be thoroughly independent, as all of us here well know. Stern characteristics of the old Scottish covenanter were always peeping through in his attitude toward men and affairs.

He served his constituency, his province and his country devotedly and well. To thousands of people in Vancouver and throughout British Columbia where he lived and worked for so many years he proved himself a true and valued friend. I do not know of anything finer that I could say of him than that.

For his good example, for his fine character, for his wit and humour, for all his lovable qualities, we shall miss him greatly here in this chamber.

As we take our leave of him may I paraphrase the immortal words of John Bunyan: "My marks and scars I carry with me, to be a witness for me, that I have fought His battles Who now will be my rewarder. . . and all the trumpets sounded . . . on the other side".

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the constituencies of Vancouver-Burrard and Vancouver-Quadra lie side by side throughout most of their length and for that reason and also because of the great friendship which had grown up between the late Dr. MacDougall and myself I should like to add just a few words today.

In his home city of Vancouver, Dr. MacDougall's passing will be mourned by thousands of his fellow citizens who knew him and loved him for many reasons, perhaps most of all for the many kind deeds he had done for so many of them and also for his spirit of service and for the wonderfully cheery spirit with which he faced life in spite of severe handicaps. Those qualities, of course, have been manifested here and have endeared him to every member of the House of Commons.

I am sure I speak for every one of us when I say that a great-hearted Canadian has gone from our midst. I should like to join in extending sympathy to his wife, who has been such a wonderful life partner.

Mr. D. F. Brown (Essex West): May I be permitted to say a word on behalf of those government supporters who constitute the rump in this House of Commons. We have known and revered Jack MacDougall as an associate since 1949 and we will long remember him. We in this part of the house in particular have appreciated the wit which he expressed on various occasions. We realize that he had a friendship with all members of this house. We realize too that every

hon. member knew Jack MacDougall. We remember his sincere friendship, rugged but faithful friendship, which he established in this house. We remember him for the fidelity which he showed in this house to his party and in connection with all matters in which he participated.

To Mrs. MacDougall, who was his constant companion, we express our sincere love and sympathy. Jack MacDougall has not died, for the qualities which he expressed so well will remain an inspiration to the hearts and minds of the members of the rump for the years to come.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, June 7, 1956

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 7th June, 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).

MISCELLANEOUS PRIVATE BILLS

Ninth and tenth reports of standing committee on miscellaneous private bills.—Mr. Henderson.

TRADE

GATT—ANNOUNCEMENT OF RESULTS OF GENEVA CONFERENCE

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to make a brief statement on the tariff negotiations which have recently been successfully completed in Geneva. A detailed statement of these results was tabled in the house at eleven o'clock this morning, the time which was agreed to in advance with the other countries. For the convenience of hon. members I would suggest that that statement be printed as an appendix to *Hansard*.

I am happy to say that Canada has concluded new agreements at this conference with the United States and with 12 of our other trading partners in both Europe and Latin America. These agreements were signed on May 23 in Geneva on behalf of Canada by Mr. L. D. Wilgress, Canadian ambassador to NATO, who was also the chairman of the Canadian delegation. The new tariff rates agreed to at this conference will not come into effect until the end of June at the earliest.

The new GATT agreements represent a further addition to the significant and substantial progress already achieved in previous GATT conferences in the reduction of tariff barriers throughout the world. The benefits obtained by Canada in these latest negotiations will lead to useful, practical gains for Canadian exporters of a wide range of products and in many markets. In addition to the concessions obtained directly by Canada, we will also benefit from all the concessions resulting from negotiations between the other participants, and this is one of the great advantages of a multilateral negotiation under GATT.

These new agreements will further strengthen the basis of confidence and co-operation so essential in world trade. It is appropriate at this time to reaffirm Canada's view of the usefulness of GATT as a framework for the conduct of trade and for the development of common trading policies. In this connection, the establishment of the organization for trade co-operation to administer GATT on a continuing basis would render the agreement more effective and would have a most encouraging influence on international relations.

The Canadian government has consistently supported this proposed organization and is prepared to take steps to provide for Canadian participation at the appropriate time. The United Kingdom has already indicated its acceptance, and it is our hope that all the members of GATT, and particularly the other leading trading countries whose support is essential, will similarly find it possible to join in its establishment.

The agreement concluded between Canada and the United States is one of the major agreements resulting from this conference. The concessions that could be made by the United States were limited by United States legislation to maximum tariff reductions of 15 per cent, spread over the next two years. Also, there were a number of items, particularly in the agricultural and fisheries field, on which the United States was not prepared to negotiate at this time. Within these limitations, however, we have concluded an agreement which should be most satisfactory to both countries. The fact that United States concessions would be implemented in three stages was, of course, taken fully into account by our negotiators in determining the nature of the concessions Canada could justifiably grant. Canada has obtained maximum concessions on a large number of products, including various chemicals, certain metals,

some agricultural items and a number of manufactured products and machinery. I am sure the house will welcome this agreement as a further step in our joint efforts to reduce trade barriers between Canada and the United States.

Canada has traditional and important trade relations with Europe and Latin America. It is our earnest desire and intention to continue to strengthen these close relations and to work with the countries of these areas in expanding our trade in both directions. As part of this general policy, Canada has concluded new agreements with Austria, the Benelux countries, Denmark, Western Germany, Italy, Norway and Sweden. Canadian exporters will obtain useful benefits from the concessions granted by these countries, many of which have made significant progress in the removal of import restrictions. Canada has also made agreements with Cuba, the Dominican Republic and Haiti, which are open dollar markets for Canadian goods. I am confident that these various agreements will serve to emphasize the importance of our trade with the countries of these areas and will stimulate even closer connections between us.

In multilateral negotiations which involve reductions in most-favoured-nation tariffs, it is customary for both Canada and the United Kingdom to alter certain of the tariff preferences accorded to the other. Most of the reductions in margins of preference of interest to Canadian exporters in the United Kingdom are relatively minor. There were, of course, opportunities for informal exchanges of views on matters of common interest between Canada and the United Kingdom as the negotiations progressed.

To conclude, I would stress that Canada as a major trading nation has a vital interest in the expansion of world trade in an atmosphere of confidence and co-operation between countries. By entering into these latest negotiations under the auspices of GATT, the major trading countries have given renewed evidence of their intention to pursue the constructive policies that have been developed and strengthened through common effort.

As to the concessions granted by Canada, my colleague the Minister of Finance (Mr. Harris) will wish to make some comments.

Mr. Speaker: The minister referred to a statement which he said should be published as an appendix to *Hansard.*

Mr. Howe (Port Arthur): Yes.

Mr. Speaker: Is there unanimous consent for that purpose?

Some hon. Members: Agreed.

(*For text of detailed statement see appendix, pages 4834-41.*)

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the tariff concessions made by Canada at this last tariff conference at Geneva, to which my colleague the Minister of Trade and Commerce (Mr. Howe) has referred, cover 180 items or sub-items in our customs tariff. Of these, 115 are reductions in the present most-favoured-nation rates of duty and 55 are undertakings not to raise existing rates of duty. For five items Canada undertook not to raise duties above certain specified rates higher than those actually in effect, but which in all five cases are lower than the rates previously agreed to under GATT. The remaining five items are reductions in the British preferential tariff, made unilaterally by Canada concurrent with reductions in the most-favoured-nation tariff.

Canada's concessions are set out in schedule V to the sixth protocol of supplementary concessions, and I should like to table copies of that schedule in English and French. This schedule consists of two parts, part I covering the most-favoured-nation tariff, and part II covering the British preferential tariff. The Canadian concessions will not come into effect immediately, but will be implemented at appropriate times having regard to the time at which other countries put their concessions into effect. I should make clear too that the Canadian concessions to each country will be brought into effect in one step.

Canada's total imports during the calendar year 1955 from all countries under the 115 items or sub-items on which the most-favoured-nation tariff was reduced at Geneva amounted to $91 million. Canada's total imports during 1955 from all countries under the 60 items which were bound but not reduced amounted to $88 million.

The reductions in the most-favoured-nation tariff cover a wide range of products such as: textile machinery, orange juice, lettuce, newsprint, shelled oysters, shrimps, spectacle frames, cigars, sawmill machinery, adding machines, cash registers, road building machines, electrical precision apparatus, such as is used in oil refineries and chemical works, cameras and tobacco pipes.

Since GATT negotiations relate to the most-favoured-nation tariff there was no occasion to negotiate reductions of rates of duty under the British preferential tariff. Of course, some margins of preference in the Canadian tariff as well as in the tariffs of other commonwealth countries were reduced

in the course of negotiations with non-commonwealth countries. Of the items in which Canada reduced margins of preference those which covered the largest volume of trade were orange juice, electrical precision apparatus and textile machinery. The great bulk of Canadian imports of these products in 1955 were from non-commonwealth sources.

Part II of schedule V, which I am also tabling, contains five items. As I have mentioned, these provide for unilateral reductions by Canada in preferential rates of duty on certain goods on which the most-favoured-nation rate is also being reduced.

HOUSE OF COMMONS

MR. DREW—MOTION OF NON-CONFIDENCE IN PRESIDING OFFICER OF THE HOUSE

The house resumed, from Wednesday, June 6, consideration of the motion of Mr. Drew:

In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, it is naturally difficult to resume the debate. I said nothing today when the heart of parliament went out to the beloved wife of the member for Vancouver-Burrard. I shall say no more than this, that his life was an example of one who carried on whatever the consequences and he would have expected this house to follow the course of his own life.

Sir, yesterday afternoon the Prime Minister (Mr. St. Laurent) suggested that this motion, having been launched during the debate on the pipe line, should now be withdrawn. I am authorized to say that, in so far as Her Majesty's loyal opposition is concerned, that view cannot be accepted. As the days go by and we look over the things that took place, the unexplained change of ruling on June 1 becomes even more unexplainable. The need for this motion has not been erased by the termination of the pipe-line debate. That debate has gone the way of history. The prerogatives of parliament are abiding and must remain unimpaired. It is interesting that on an occasion such as this we should reread the pages of history. In 1628—on March 22 of that year—the Speaker had failed to listen to the demands of the members of the House of Commons to be heard on questions of privilege. Then suddenly the atmosphere changed. The king needed supplies.

[Mr. Harris.]

Immediately every opportunity was given for the members of the house to speak. One Sir Robert Phelips—and I have his speech here—said this:

This day's debate makes me call to mind the custom of the Romans, who had a solemn feast once a year for their slaves, at which time they had liberty without exception to speak what they would, whereby to ease their afflicted minds; which being finished, they severally returned to their former servitude.

Those were spectacular words but what he meant was this. The rights of parliament cannot be impaired for the temporary advantage of anyone, including the crown. As I see it, Mr. Speaker, the members of this house cannot stand idly by when their privileges and their rights are jettisoned, if only temporarily, at the will of a determined majority. You, Mr. Speaker, have read the duties and the responsibilities of a Speaker. No one summarized them better or epitomized them to a finer extent than did Mr. Speaker Lowther who, following his termination of office, wrote a book entitled "A Speaker's Commentaries" in which he set forth in a very few lines the duties and responsibilities of the Speaker:

The Speaker must decline to submit motions which infringe the rules; he must decide whether a motion is one of privilege or not; . . .

Then a little later:

The granting or withholding of the closure is another source of considerable anxiety to the occupant of the chair. Have the opposition had a full opportunity of stating their case? Have they made the best of their opportunity? Is there anything more which could be said usefully? Has the subject received its full quota of time in view of the total amount of time available for discussion? These and similar problems present themselves to the Speaker and must be solved in his own mind before he can accept a motion that "the question be now put". It is obvious that no hard and fast rule can be laid down on these matters, and that in each case the Speaker must use his best judgment and discretion.

And finally:

. . . he—

The Speaker.

—is the guardian of the privileges of the house as well as those of its members.

Mr. Carrick: May I ask my hon. friend a question?

Mr. Diefenbaker: I am trying to conduct this debate on a plane that is not controversial. If my hon. friend has observations to make, let him make them later.

Mr. Carrick: May I—

Mr. Speaker: Order.

Mr. Diefenbaker: You, Mr. Speaker, then did lay claim to our ancient and our undoubted rights and privileges, especially that

of freedom of speech in debate. In the United Kingdom Mr. Speaker, when he achieves his high office—and I quote—

. . . rigorously cuts off his party affiliations. He declares his honourable intention of being the impartial servant of the house as a whole, and in particular that he will do his best to safeguard the rights of minorities.

A moment ago in connection with closure I mentioned that the responsibility for the putting of the closure remains with the Speaker.

Mr. Harris: In the United Kingdom.

Mr. Diefenbaker: In 1925—the responsibility is set forth fully here—the responsibility remained with the Speaker and any changes that have been made since then do not remove that essential circumstance connected with the closure. In the United Kingdom no Speaker—and I again refer to Lord Ullswater—receives notes of communication from the members of the cabinet. He does not meet or communicate with them. As an inflexible policy—and it is of the essence of free debate in order to prevent anything in the nature of chaos within the House of Commons—he rules on the basis of rules, not with a consideration of the results that might flow from the rulings which he gives.

I say to you, sir—and I do so with deep feeling—that unless we maintain respect for parliament, democracy will wither and die. Parliament's supremacy demands the maintenance not only of the forms of parliamentary government but also of its soul. Without profound respect for the Chair the house would degenerate, in the heat of debate, into chaos and worse. What happened here on Friday, June 1, has but to be read in order to indicate how far removed from what parliament has a right to expect were the occurrences on that unforgettable morning.

On May 31, in accordance with the principles that are laid down by Viscount Ullswater, Your Honour decided that a serious question of privilege had been raised. You indicated the course to be followed by the hon. member for Nanaimo (Mr. Cameron). In a more or less incomplete manner you indicated that there were portions of the alleged statements that infringed the privileges of parliament and, indeed, your rights. One had only to look at the faces of Her Majesty's executive on the night of May 31 to realize how disturbed they were. The next morning, without giving the opposition a chance to speak, you, Mr. Speaker, peremptorily reversed, without argument, the decision you had made the night before, a course that was foreign to your usual course since assuming this high and honourable office as our first commoner. The Leader of the Opposition (Mr. Drew) occupies a high position under our system of government. He rose in his place. There was nothing presumptuous in his words. As reported at page 4537 of *Hansard* he said this:

Mr. Drew: Are you prepared to hear any discussion on that, because—

Then we have Mr. Speaker's answer.

Mr. Speaker: No.

Mr. Drew: —we had proceeded with discussion on this motion.

Mr. Speaker: It is a matter of privilege. Whether it is privilege or not, it is my responsibility to decide.

That was a decision, sir, you had made the night before, leaving only the question of finding an opportunity when you could speak regarding these statements which made references derogatory to yourself. So it goes down the page and there is no opportunity given. The bells ring, the decision is final, irrevocable, unarguable. There cannot be any debate. Mr. Speaker says:

The bells are ringing and the members are being called in.

The Leader of the Opposition says, "Mr. Speaker", and he is met by suggestions that he be quiet, and other interruptions. Finally the appeal that you suggested is submitted to the house. Sir, time and the calm retrospect of several days cannot erase from the hearts of those the feeling that this indeed was something beyond expectation. It never occurred before. It has no precedent in British history since 1640. It is one of those things that must be retraced, otherwise the pathways of expediency on June 1 will in the future become the highways along which those who desire to circumvent parliament will be able to do so. That is the great danger of dangerous precedent. Your Honour knows that is one of the great dangers of bad decisions in courts of law. This, however, is more than a decision affecting the rights of individuals. The decision you made on June 1, sir, is one that in the years ahead will constitute an opportunity for evil men to prevent parliament from protecting its right of free speech. It will make members in this house, on whichever side they sit, tenants at the will of the government of the day.

I am going to conclude, sir. There is always an anticlimax when events such as those of yesterday take place. I say again, if what took place on June 1 is to stand, the rights of free men in parliament will be at the whim of the Speaker and our Canadian system will become, and indeed the occupant of the Chair will become, the pliant creature of a dominant majority. Majorities are no better than minorities. But, sir, minorities have it not in their power to

alter the rules to meet the demands of expediency for them. Majorities dare not be permitted to have written into the *Journals* of the House of Commons a precedent that, for all time to come, will stand as an accusing finger to the practice of the democratic and parliamentary way of life.

Members have a right to know that the rules of the house will be observed and not be dependent upon the caprice of the majority. They have the right to know that the rules will not be reversed by the demands of expediency. They have a right to ask that the decisions of today shall not be reversed tomorrow by the presiding officer, whatever the consequences may be to the majority in this house. We have the right to demand that in the future frustrated ministers will think of the consequences to Mr. Speaker if at any time by overt demand or subtle compulsion they place him in a position where he must depart from what, on the basis of his wide experience, he had determined was the right course to follow. Sir, if the rules under which parliament operates, if the decisions of today in a deliberative, orderly assembly, are to be reversed tomorrow by the presiding officer who made an earlier decision, then we shall have chaos. If the accumulated usages and precedents of the past can be set aside when they are detrimental to the government of the day, then parliament will be placed where respect and dignity will be supplanted by disrespect and disorder.

It may be that we will have to consider a reform in the manner of the choice of Mr. Speaker in order to give him that detachment which British precedent and British ancient usages have assured for the Speaker. It will be difficult under our system to bring about anything of a similar nature to a permanent appointment such as is made in Great Britain because of the fact that there must be recognition in our country of the dual contribution of those of French and British origin. But certainly we dare not let the situation go unchallenged whereby a Speaker at any time can be permitted to be placed in a position where power and authority, whether directly or indirectly applied, can bring about such an event as happened here the other day. There is no other way in which this matter can be brought before the house except through the motion that was moved by the Leader of the Opposition. Is the Prime Minister not in a position now to give that leadership which will remove those pages, as it were, from the records of parliament? Charles I tore out two pages of the *Journals*. Let us not in 1956 have written into these *Journals* the denial of the usages of the past and the return to supreme authoritarianism of a majority uncontrolled. This motion is designed to assure that in the future parliament will never again find itself trammelled by the desires of a powerful cabinet, thereby placing Mr. Speaker in a position undeniably difficult and destructive of that authority and prestige which, however much it had been built up, has been seriously diminished as the result of what took place.

I speak from the heart when I say this. What happened on June 1, Mr. Speaker, caused a resentment, a feeling of frustration in the hearts of hon. members, to see the usages of 300 years thrown out of the way for a pipe line. To me, parliament and the maintenance of its supremacy, its authority, its dignity, are above the fortunes of a pipe line.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, it is about 50 years since I first began taking part in debates. I have always entered a debate gladly, only wanting the opportunity to get at my opponent. I wish that were so today, because I rise today to take part in this debate solely from a sense of duty. When I spoke here a little over a week ago I tried to point out to this house where we were drifting. I thought there was an opportunity to stop and take a look before we took the next step. The house did not stop. We proceeded with the measure that was before us, the pipe lines bill. The pipe lines bill has now passed. It passed through this house and I understand it has been passed by the other place, and in a few moments I suppose it will get royal assent.

We passed it, but what price have we paid for it. This, sir, is a part of the price, a motion made in this House of Commons to censure the Speaker, something that never happened and I suppose was never thought of before in a Canadian parliament. That is too great a price to pay for any bill that might come before this house. What are a few paltry million dollars, in comparison with the legacy that has been left us in forcing the measure through the House of Commons?

Until the regrettable events of the past few weeks I held Your Honour in the highest esteem. I think you, sir, must have known how high my esteem was. Since you took over your office in 1953 I felt increasingly that you had most, if not all, of the attributes that go to the making of a great Speaker. I felt that you, sir, could very well be the greatest Speaker that this parliament has had since the late Hon. Rodolphe Lemieux filled the high office that you now hold. It was not my pleasure to know the late Mr. Lemieux but I did know a man who knew him very well, the first leader of this party, the late

J. S. Woodsworth, and he never tired of singing his praises as a great man, a great Speaker, whom it was an honour to know and an honour to serve under, or perhaps I should say to serve with.

Will you excuse me, sir, if I mention some of the attributes which I think you have for the position you hold, or which at least I thought you had. You have a fine presence and, if you allow me to say so, a great charm of manner. You are equally fluent in both of the official languages of this house. You have industry, perhaps at times a little too much. In any case, you had sufficient industry to familiarize yourself with the rules of this house and I am satisfied sir, that you know the rules of this house better than any Speaker that has been here in my time. That, sir, was my position until the recent debate on the pipe line legislation began, and then my hopes began to fade until the proceedings of the house last Friday morning sent them crashing at my feet.

It is because of the proceedings of the house of last Friday morning that I believe the motion moved by the Leader of the Opposition last Monday has become a necessity and, because it has become a necessity, it has become my duty to support it.

Some statements that I made in the house at various times have been referred to in this debate and in the one before it, but I am afraid my statements were used to give an altogether different impression from what I intended to convey when I made them. When he spoke to the motion before us the Prime Minister referred to a statement I made in this house in discussing a matter on January 28, 1949. My remarks, quoted by the Prime Minister, may be found at page 41 of *Hansard* of 1949. At that time I used these words in supporting the motion that was then before the house:

> Surely this is a question of orderly procedure in parliament, and whether we agree with it or not is a matter to be decided by the vote of parliament.

I certainly made that statement, and it was a proper one to make at that time; but if the Prime Minister meant when he quoted that statement that I should have supported the proceedings, if one can call them proceedings, that took place in the house last Friday, well, I am afraid he has not compared what was before the house on those two occasions.

Let me quickly point out what we were dealing with in 1949. The session opened just after the previous election and the Prime Minister moved, after giving due notice, mind you, due notice that is required by the rules of this house, that after a certain date government business would take precedence over all other business.

I think the reason for the motion was that the government wanted to get on with the terms under which Newfoundland would enter confederation and everything was in order. It was so much in order, in fact, that after getting the views of the members of the house the Prime Minister himself suggested there be some changes made in the dates. Those changes were made and it was for that reason I said:

> Surely this is a question of orderly procedure in parliament, and whether we agree with it or not is a matter to be decided by the vote of parliament.

These words appear at page 41 of *Hansard* for January 28, 1949. And then I went on to say:

> I think every hon. member, I suppose at least every hon. member on this side of the house, regrets that the government has felt it necessary to postpone the debate on the speech from the throne, or rather to postpone it if it is not finished by the end of next week. That is a longer time than the government suggested at first, and that in itself is one of the hallmarks of democratic procedure. There has been a compromise between the two extremes. If the government did not get all they expected to get or wished to get in the first instance, the opposition got at least some of what it wanted.

Surely there is no comparison between that occasion and this one. I wish now to read from *Hansard* of June 1, 1956, from a statement made by Mr. Speaker:

> Now, the house is master of its own rules and it is my right to submit a matter to the house. I intend at the moment to submit to the house that, in my view, the house should revert to the position where it was yesterday when I was brought back to the chair to receive the chairman's report at 5.15.

I deny, sir, that it is your right or the right of any Speaker to put matters before this house excepting the matters that are given to you by the house to put before the house. We cannot carry on business here if the Speaker of the house can come into the house at any time and say "I think we had better revert to some other order of business," or "I made a mistake and I think we should try to rectify that. Now let us go back to where we were yesterday or the day before yesterday or last week or the week before that." How in the world can the business of the house be carried on in that way?

And then the Speaker went on to say, as reported at page 4540 of *Hansard* for June 1, 1956:

> I know what the hon. member says with respect to this motion is correct. I have indicated to the house I feel that the house should not suffer any prejudice for what I consider to be a serious mistake which I made yesterday. I say that the house is master of its own procedure. No one

should contradict that, everybody knows that that is so, and it is my right to submit a matter to the house and that is what I propose to do.

Sir, I could not disagree with you more definitely than when you make that statement. I have already said it is not your right to place matters before this house excepting such matters as are given you by the members of this house to place before it. I am afraid that is where some of our trouble stems from. For some reason or other you made the passage of business through this house your concern. I submit it is none of your concern; it is the concern of the government. Your concern is to hold the balance as between the rights of the opposition and the rights of the government as matters proceed.

May I refer for a moment to the question of closure. You know, there were some terribly amusing things said with regard to this closure—in regard to why it was brought about—at least they would have been funny if the matter were not so tragic. I think I heard the Minister of Finance, if my memory serves me right and if he contradicts me I will take it all back, say that closure was invoked when it was because I think it was the hon. member for Prince Albert (Mr. Diefenbaker) had said the opposition was going to oppose this bill with everything it had, or some words to that effect, and the hon. member for Assiniboia (Mr. Argue) had made a somewhat similar statement.

Well, boasting of that kind is a juvenile sort of thing and I do not hold with it; but, sir, it is not a reason for introducing closure. Closure invoked at that stage anticipated that something might happen in this house. We do not carry on the business of this house in anticipation of what may happen. We carry on the business of the house on the basis of what happens in the house. As I said the other day, that is where the initial mistake was made.

Hon. members opposite accused the opposition of criticizing the government's pipe-line bill. What in the world do you think the opposition was sent here for, to help the government? No, they were sent here to oppose and, if the opposition did not oppose, the government would also criticize them.

Let us suppose that instead of opposing the pipe-line bill the opposition had let it go through parliament without any opposition at all. What would government supporters be saying as they went around the country? Let us suppose this bill was passed unanimously—the opposition did not like it very well but then they had no alternative so they said they would let it go through. The government damns the opposition for opposing it but it would also ridicule the opposition if they agreed with the government.

Now, the purpose of an opposition is to oppose. I think it was Sir Winston Churchill's father who said at one time that if the opposition ever found itself in a position where it had to approve of something that the government was doing it ought to do it with a kick rather than a pat.

There is a citation in Beauchesne's second edition—I imagine all hon. members have a copy of this book—and I wish hon. members opposite would read and study it. I read this citation in this house some years ago and I propose to read it again now. I am referring to citation 900 which appears at page 282. I believe it is from Hatsell's book on parliamentary procedure or something of that nature. The citation reads as follows:

> So far the maxim is certainly true and founded on good sense that as it is always in the power of the majority by their numbers to stop any improper measures proposed on the part of their opponents, the only weapon by which the minority can defend themselves from similar attempts from those in power are the forms and rules and proceedings which have been found necessary from time to time and are become the standing orders of the house, by a strict adherence to which the weaker party can alone be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

Could anything be truer than those last words I read, "large and successful majorities"? So large and so successful have the government majority been that they consider that nothing is to be allowed to stand in the way of what they want to do even if they have to tear to shreds the rules and procedures of this house in the doing.

I agree that in a certain sense parliament must always decide, but it must decide according to the rules. If the rules can be changed from day to day, from hour to hour and from week to week the minority has no protection whatsoever. If the position taken by the Speaker of this house is to prevail, it can lead to nothing else than that the majority in this house can at any time impose its will upon the house and the minority, and the opposition which was sent here by the electors of this country in the same way as the members of the government were sent may as well go home. We will have no business here, we will have no function to perform, there will be nothing for us to do. The government has taken it upon itself to rule by sheer force without regard to the rules and procedures which have come down to us through the years.

I am under no illusion as to what will happen to this motion when it comes before

the house for a vote. Undoubtedly it will be defeated, but that will not be the end of the issues which have been raised on it. I should like to say to the government that they may not always be here; the Liberal party may not always be where they are now. No matter how permanent things may look, change is the law of life.

We cannot have ministers coming into this house and introducing bills and giving notice of closure at the time of doing so. But that is the precedent which any minister can follow from now on. We have adopted that as the method to be followed in this house. From now on a minister can bring in a bill or a resolution preceding a bill and at the same time give notice of closure. Why? Because he has heard that the hon. member for—we could say any place you like—is going to oppose it, or that the opposition are going to oppose it. Because the opposition are going to do the thing they were sent here to do, the minister by closure will say that they will try to prevent them doing it. That is one of the things which will inevitably happen because of what has taken place here during the past few weeks.

As I said before, if something is not done, any Speaker at any future time can say, "I believe I made a mistake and you have to go back to where we were yesterday, or the day before, or the week before." Where will we be if we carry on business in that fashion? But that is the precedent we have made ourselves, and parliament is the creature of precedent. The decision taken today becomes a precedent for other decisions tomorrow.

I would say to the government, or whoever may be the government after the next election, or if there is not an election before the next session of parliament it should be done at the next session, that they should set up a committee on procedure to propose changes—they may not be very material ones and I do not think material ones are needed—in regard to these matters which have brought the Canadian parliament to the position it is in today, with the hope that it will never happen again. I say that that should be done at the next session of this house, if there is one before there is an election.

If there is an election before another session is called I will not be here and I may not be here at the next session even if there is no election. I would hate to see this parliament, where I have spent so many of my days, degenerate into a rabble where decisions were made where the Speaker, knowing what the decision would be, would say, "Parliament will decide." That means only one thing, that the government will decide.

As I said when I rose to speak on this motion, I have never spoken with less relish when putting my views before an audience, call it that or whatever other word is suitable, but I felt that I had to make my position clear. When the motion is put I shall vote for it, not in any hope that it is going to carry or that it will do very much good. But we have to make our protest. I should like to suggest to those who will be here at the next session or to those who will be here when the next parliament assembles that they set right the wrongs which we have done to parliament during the last three weeks.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to commence my remarks in this serious debate with a quotation from what was said by the Chief Justice of the Supreme Court of Canada at the convocation ceremonies held at the University of Toronto a short while ago. The chief justice is reported to have said:

> Unless we are ever vigilant of threats to our individual rights, the priceless heritage that is Canada's will be maimed and disfigured, if not destroyed.

I think remarks of that tenor have been said to graduating classes of universities down through the years until part and parcel of our heritage has been such references to the maintenance of our freedom. What is the priceless heritage about which Canadians are so concerned? It is the right of free speech, a free press, free elections, freedom of assembly, freedom to organize. These are the things that we mean and think of when we talk about our priceless heritage of freedom. Here in parliament we find that freedom is the central part of this system. As Ivor Jennings has pointed out, "so much of the history of freedom is part of the history of parliament that freedom and parliamentary government are often considered to be the same thing."

That is why we have reached the stage in our proceedings in parliament of putting forward and discussing a motion of censure, because we have felt that parliamentary government has been endangered and that in the endangering of our parliamentary government our very freedom has been endangered. The citadel of freedom has been assaulted from within right here in the House of Commons, and in the painful and tragic events of this week and on black Friday, the 1st of June, the attack from within on

parliament resulted in the humiliation of the Speaker and the humiliation of parliament itself.

It is one of the grave moments in Canadian history and, as with others who have spoken, it is with regret that I engage in a debate of this nature. I never expected that we would reach this stage in Canada when we would have to look closely at our parliamentary system to see whether or not it was sound. I always thought that it was so soundly based that nothing could shatter it. It has been pointed out that the origin of our troubles arose at 5.15 last Thursday. The Prime Minister (Mr. St. Laurent) drew our attention to that the other day and indicated that at that moment I was the one who rose to my feet on a point of order and because of that the normal routine was upset.

May I point out very briefly that my point of order, dismissed after the interval of the supper hour by the Speaker as being academic and subsequently called an academic point by the Prime Minister, was nevertheless in my opinion then and now a matter of profound importance to the position of Speaker in this House of Commons. I seized the first opportunity I had in the course of the debate to bring to the attention of the Speaker the point of order, following the lines that he has told us are the essentials of a point of order. The Speaker's own words are that the function of a point of order is to bring to the attention of the Speaker a matter which he did not himself perceive.

I brought to the Speaker's attention a matter which he did not himself perceive at the time or had forgotten, and I thought I was performing a duty in endeavouring to replace in the Speaker's hand something that he had let slip to the chairman of the committee because I believe that here in the House of Commons it is the Speaker's interpretation of the rules that should be decisive and not the interpretation of the rules as determined by one or other of our chairmen of committees. However, it was dismissed as academic. The Prime Minister pointed out that I was persistent in asking for a vote on the Speaker's ruling. I admit I was persistent and under similar circumstances I would be persistent again because I thought I was being brushed aside. So much for that.

The date of the commencement of the disaster that befell parliament was not at 5.15 on last Thursday but on the 24th of May. It was on the 24th of May that we entered upon the slippery slope that led down to destruction because that was the day when, as some member of the press gallery so aptly put it, closure by thumbscrew was applied. We had had earlier on the resolution stage the imposition of closure, which we resisted and disliked. On the second reading stage we had the imposition of closure, which we resisted. But in the committee stage when the first clause of the bill was brought before us closure by thumbscrew was applied, the right of speech was forbidden to members of parliament, and anger and dismay swept through the house.

It was on that occasion that the chairman of the committee made his ruling with regard to the interpretation of the word "consideration", a word never before interpreted by a Speaker in the House of Commons. There was no precedent for guidance. It was in consideration of these two matters that I subsequently brought to the Speaker's attention the point of order that I raised on the Thursday. But it was the imposition of closure that brought about all the sorry circumstances that succeeded.

I want to digress for a minute or two to discuss closure as it is applied in England because so many references have been made to the procedure there and the implication has been made that it is a normal course of procedure in England. That, sir, is not so. People who talk about closure being applied in England must first discuss and define such matters as the previous question, allocation of time and the guillotine before they can relate that to what happens here under our system of closure. But may I point out that on the 5th of June the Secretary of State for External Affairs (Mr. Pearson) said, as found at page 4743 of *Hansard:*

> From 1945 to 1951, which was the period when the Socialist government was in power in the United Kingdom, the maximum time actually devoted to the consideration of any government money bill by the House of Commons during that period of six years was 21 hours and 25 minutes.

I presume he means that any bill which authorizes the use of public funds is a money bill. I would hope that you would keep in your mind that period from 1945 to 1951 and the maximum time the minister gave of 21 hours and 25 minutes for a money bill. If you will bear with me, I will direct your attention to the fact that in the British House of Commons in June of 1948—I will give references, which were not given by the minister—as found in volume 451, column 2175 to column 2658 of British *Hansard*, a bill was discussed there called, appropriately enough, the gas bill. It had been introduced, discussed on second reading and was in the committee stage and the report stage on the 9th of June through to the early hours of the 10th of June in a continuous sitting of parliament. They have no recess for the supper hour. For 16

hours, just in that one stage, the committee stage and the report stage, the bill was discussed. That discussion in the House of Commons had been preceded by not days or weeks but months of sittings in a standing committee, including in that standing committee several all-night sittings. I ask if you relate that fact to the minister's statement that the longest time ever spent on a money bill in the House of Commons was 21 hours and 25 minutes—if you can relate those two statements—and can place any credence in the suggestion that the minister's statement is accurate. I will leave it to you to make your own choice.

Let me point out this further fact. The minister might have gone a step further and looked at the transport bill in 1952, volume 508, column 47, of the British *Hansard*—discussed on November 24, 1952. On that occasion the British system of closure that allocates time was imposed at the commencement of the committee sittings and the guillotine as they call it was introduced. It was introduced because of their experience with that gas bill in 1948. Under that system of closure they allowed seven days on the committee stage. That was, of course, preceded by the usual introduction and second reading events. Under that system they allowed seven days in the committee for a total of 45½ to 49 hours. In our committee sittings we had five days under closure by thumbscrew for a total of 25 hours and the extra three that we got on the night of the voting. I am not excluding there any time that we may have spent on other matters. That guillotine motion introduced in England at the commencement of their committee sittings on the transport bill in 1952 was debated for almost seven hours, preceded by one division and concluded by four divisions. The *Times* wrote an article about it which you may find in the course of the debate. Anyone who wants to discover whether or not closure is accepted as the normal practice in England might very well read that debate of 1952. He will discover that it is abhorred by the British House of Commons. He will also discover that it is not anything like the type of closure that we had here.

The Secretary of State for External Affairs (Mr. Pearson) in his remarks said this:

> That country,—

He was referring to England.

> —Mr. Speaker, the home of parliamentary freedom, also understands the necessities of parliamentary government, the responsibilities and rights of the government as well as of the opposition.

Any study of the British *Hansard* indicates that fact. In an earlier debate I ran across the remarks of Lloyd George who, as you know, spent 50 years in the House of Commons in England. He said that there stood out in his memory one event when he, along with six others, went into the opposition lobby and were outvoted by the tremendous majority of over 600 who went into the government lobby under the system that they have of voting. He said that vast majorities wither away and die. He said that he had lived to see the day when that vast majority had disappeared and he himself had come in on the government side.

Mr. Speaker, the root of the matter that we are discussing here is the independence of the Speaker. We have looked to the Speaker to be the guardian of our liberties. That volume of May that we have been discussing so frequently during the last two or three weeks is dedicated to the Speakers of the commonwealth who uphold in common the high tradition of parliament. It is that independence with which we are so much concerned. In the independence of the Speaker we believe we see the protection of the minority groups in parliament. Of course the man who set the greatest example in England was Mr. Speaker Onslow, in 1727. This shows the long tradition of the independence of the Speaker. Mr. Onslow was Speaker for 33 years. In Kenneth Mackenzie's book on "The English Parliament" you will find these words:

> Onslow's show of independence at the outset of his career as Speaker did not belie his subsequent conduct. Throughout his 33 years' tenure of the Speakership he exhibited an unflinching attitude of independence towards the government, and he enforced the rules of procedure without respect of persons. 'The forms of proceedings', he held, 'as instituted by our ancestors, operated as a check and control on the action of ministers, and they were in many instances a shelter and a protection to the minority against the attempts of power'. Only by strict adherence to the rules of procedure could the minority be protected from those 'irregularities and abuses which these forms are intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities'. Indeed, so great was Onslow's attachment to forms that Horace Walpole said that 'it often made him troublesome in matters of higher moment'. There could hardly be better testimony to Onslow's indifference to ministerial convenience.

That, I submit, represents the state of independence that we expect of the Speaker of the Canadian House of Commons. Why are we so much interested in that matter? Because, as I said earlier, this is the citadel of our freedom. We have a long tradition handed down from our ancestors. Sir Ivor Jennings in his book "The Queen's Government" speaks about the behaviour of the ordinary Englishman. The same thing may well be said about the ordinary Canadian. Sir Ivor Jennings said this:

> He is not only a free man; he is truculently free. He is, perhaps, the most law-abiding citizen in the world, particularly when the law seems to him to be sensible; but no man is more ready

to take offence when the law is broken. He does not obey orders because they are given by some person in authority: He obeys orders when they are lawful orders issued by a person who has legal authority to issue them. John Hampden, gentleman of Buckinghamshire, is one of our national heroes; and Hampden has written his name into history because he refused to pay a tax of 20 shillings, imposed upon him by the sheriff in accordance with orders from the king. He was charged before the Exchequer Chamber in the Great Case of Shipmoney. Seven judges found against him and five in his favour; but later parliament reversed the verdict. The important point, though, was that Hampden refused to obey an order that he thought to be unlawful and thereby helped to establish a tradition.

I think that Canadians, equally with Englishmen, are truculently free. I think that some of the exasperation shown in this house last Friday was due to that fact. No man is more ready to take offence when the law is broken. Last Thursday and Friday, and on other occasions, we thought that the law—the rules of procedure of the House of Commons—was being broken. All of this occurrence here leads, in my opinion, to the necessity for a study of the parliamentary system. I think we have been taking things too much for granted. I think that our professors of history, our writers on political science and our teachers in the schools as well as members of parliament themselves and others must examine our parliamentary system much more closely. I think we are inclined to misunderstand the various operations of it. We fail to understand sometimes the party system. I would hope that members of the government, as well as those on the opposition side, would study and reflect upon Professor Jennings' two volumes, one called "Parliament" and the other "Cabinet Government", in which he sets out the basis of our system of parliamentary government.

He says with regard to the parties that come into the house:

> The House of Commons is the oratorical battle-ground of those parties. The one supports and the other opposes the government. The one defends a policy and the other puts forward another. Any defect of administration, any weakness of principle or defect of practice, any blunder of politics, is soon brought to light and exhibited to the world.
>
> The functions which Bagehot described are thus exercised through the competition of government and opposition. The "mind of the people" is expressed in different ways and through different forms because it is not and cannot be a single mind. Political education is real education because at least two points of view are always being put, and the elector has to choose between them. The other side has power to speak and therefore can and must be heard. The opposition demands that policies be formulated openly and consequences of policies revealed.
>
> Parliament compels the government to defend itself by open and rational argument; but it also compels the opposition to state what is the alternative and, if that alternative be plausible, to attempt to carry it out. The majority does not override the minority roughshod, because the habits of centuries have created a free people, disliking oppression even of minorities. Members of parliament, to quote Milton again, know the people of England to be a free people, and themselves the representatives of that freedom.

I think the function of the opposition in parliament is misunderstood. Looking back I find that four years ago I spoke in the House of Commons, although I had not been here very long. At that time some matter came up striking at the rights of members in this house and I entered into the debate. Here is what Ivor Jennings says, in his book "Cabinet Government", on the importance of the opposition:

> It is not untrue to say that the most important part of parliament is the opposition in the House of Commons. The function of parliament is not to govern but to criticize. Its criticism, too, is directed not so much towards a fundamental modification of the government's policy as towards the education of public opinion. The government's majority exists to support the government. The function of the opposition is to secure a majority against the government at the next general election and thus to replace the government. This does not imply that a government may not be defeated in the House of Commons. Nor does it imply that parliamentary criticism may not persuade the government to modify, or even to withdraw, its proposals. These qualifications are important; but they do not destroy the truth of the principle that the government governs and the opposition criticises. Failure to understand this simple principle is one of the causes of the failure of so many of the progeny of the mother of parliaments and of the suppression of parliamentary government by dictatorships.

Then, as a final quotation from Ivor Jennings, I have this one:

> The tradition of parliament that "His Majesty's Opposition" shall not be oppressed is not a tradition merely; it rests on policy. Given free elections, an opposition that is not allowed to oppose in parliament is by that fact supplied with arguments for opposition in the country. If it can be asserted that the government fears criticism, it can be suggested with considerable force that there is ground for criticism. The opposition is given a forum in parliament because if it were not it would be given a convincing argument in the forum of the country.

Mr. Speaker, an understanding of parliament is essential. I hope that out of this trouble that has arisen here the people of Canada will give much closer attention than they have given during the last few years to an understanding of parliament. We are suffering from the war years. This is an aftermath of the war. During the war years we granted full power to the government, and that government has been reluctant to relinquish that full power. We have fallen into a state of complacency with regard to our system of government.

I am going to conclude, Mr. Speaker, with a quotation from Kenneth Mackenzie's book "The English Parliament". On the first page

there is a quotation from a broadcast delivered in February 1946 by Edward R. Murrow. This was just at the conclusion of the war. It says:

> I doubt that the most important thing was Dunkirk or the Battle of Britain, El Alamein or Stalingrad. Not even the landings in Normandy or the great blows struck by British and American bombers. Historians may decide that any one of these events was decisive, but I am persuaded that the most important thing that happened in Britain was that this nation chose to win or lose this war under the established rules of parliamentary procedure. It feared Nazism, but did not choose to imitate it. The government was given dictatorial power, but it was used with restraint, and the House of Commons was ever vigilant.

I think that, sir, sums up the attitude that I have towards this great institution. During the last two or three weeks here I have wondered why so many men whom I have known in this house, men who are so moderate in their day to day life, have become so aroused over the events that have occurred during that time. It struck me that when moderate men are aroused to such an intensity of feeling there must be something fundamentally wrong. I have seen other men less able to control their feelings quickly aroused over matters which were trifling. But when moderate men are moved to the very core of their being, then I say that forces are being unleashed in the country that are not subject to easy control. This is a serious situation in the history of our country when moderate men are moved as they were moved during the last two weeks.

We have passed through a period of Canadian history that will not be forgotten. I do not think the recent occurrences can be cured by this parliament. I think the wounds will not be healed except over a long passage of time. I think that it will take a great deal of effort to re-establish the authority of parliament as we used to understand it, and to re-establish the prestige and authority of the House of Commons. We will have great difficulty over the ensuing years in maintaining that thing that we prize so highly, our way of life.

We have been talking and fighting wars over this question of maintaining our way of life. We have said communism is wrong; nazism is wrong and Kaiser Wilhelm with his military dictatorship was wrong. We said, though we were not very eloquent about it perhaps as ordinary citizens, that we preferred the British way, the Canadian way. We were thinking surely, as young men in days gone by, of things like these which we accepted for granted, and we thought then we enjoyed in our own country freedom from any type of oppression. Nothing has shaken me more in the course of my life than the events of the last two weeks and the threat, as I see it, to that freedom which has been the one thing that we have been working to preserve throughout the last two generations.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, there have been many members who, in the course of this debate, have said this is a tragedy. That is so, and in a personal way. Some French writer, whose name escapes me, said that tragedy lies not in the conflict of right with wrong but in the conflict of right with right. You, sir, believed that you were right; we believed that we were right, and that difference which divides us is not something superficial. It is a difference which digs deep into the vitals of this House of Commons.

We here are parliamentarians. That means we have concern, respect, and even veneration for this house. We have these things not only in our bones but in the marrow of our bones. I doubt whether there is any member in this house who cannot number amongst his ancestors some who died that free institutions such as this should prevail. Therefore anything which hurts them hurts these things we cherish most.

This is the focal point of our freedom. This house is the focal point of our democracy, that form of government about which it has been so often said, it is the most difficult that the wit of man has yet devised. We have been told that democracy is slow, cumbersome, lethargic, even venal and corrupt; yet what we ought never to forget is that these charges fade into nothingness beside this one fact.

Any member of this House of Commons has the right to bring to the floor of the house the plea of the humblest person in Canada for justice. There is the greatness of parliament. Anything which tarnishes that greatness hurts not only us but every individual in this country.

I say, this house is the focal point of our democracy. The Speaker, then, is the focal point of the House of Commons, and we have given him the authority, we have placed in his hands the dignity and the integrity of the House of Commons. In the past, sir, in this parliament we have been served well. I am not going to refer to the remarks which the hon. member for Vancouver-Kingsway (Mr. MacInnis) made about Your Honour because largely I concur in them. You had raised the prestige of the Speakership; you were our Speaker. Some of us had known you for many years and through that time we had a great liking for you, in the chair and out of it. I had hoped that perhaps even

on the very periphery I might have been numbered amongst your friends. I had for you, as had others, a genuine respect even when I thought you were at times wrong. And now, what has happened to make us rise in our places and disown you?

Some little time ago the Prime Minister said that what had happened had been frustrating. He used that word on several occasions in the course of his remarks, and I well believe him; but, as the hon. member for Vancouver-Kingsway pointed out this afternoon, it is our bounden duty, when we think the government is wrong, to frustrate it in every way possible within the rules of parliament, and we did so. But the remark of the Prime Minister was revealing in another way. He said he was frustrated. He showed by that remark, I suggest, that there was a gap in his political education; for I think one of the best pieces of apprenticeship any man can serve before he takes his place in government is to be in the ranks of the opposition.

I have been here for some 12 or 13 years. I have had my own ideas of the sort of legislation which ought to be on our statute books to improve the conditions of the people of this country, and for month after month and year after year I have been frustrated but always, sir, within the rules of parliament, always so that I could not say I was unjustly done by. Frustration is no excuse for what happened last week. The tragedy of it is, sir, that you are perhaps the unconscious victim of that frustration.

Some days ago, also during the course of this debate, I rose in my place because I was disturbed at what was happening. I believed there was a corrosion taking place in the foundations of the Speakership. Members of parliament on this side of the house were rising on points of order which may or may not have been legitimate. We thought they were, and I maintained then and I maintain now it was the duty of the Prime Minister or the leader of the house to combat those points of order if they thought they were wrong. Instead, we were met with silence; and you, sir, were placed in the almost intolerable position where, in our eyes, you were acting not only as counsel for the defence, but you were acting as the judge. Time and time again this happened while the government sat silent, and you were becoming more and more embroiled in what appeared almost like partisan politics. You were being used by the silence of the government, and now you are being sacrificed through the silence of the Prime Minister.

I believe, sir, that last week you made a serious mistake. You made a mistake which is almost unforgivable because you impaired the rights of the opposition as we saw them. At best you were guilty of a lapse of judgment, and perhaps we can make the excuse for you, sir, who cannot speak, that you were under strain, under tension which at times must have been great; but a mistake was made. There was a motion in the possession of the house, and then it was removed by what I have already referred to as brute majority. The rules were changed in the middle, sir.

I believe you to have been wrong in doing that, but I believe the government were even more wrong, if they had any respect for parliament, in allowing your error to prevail. Certain members of the government must have discussed the situation on Thursday night or Friday morning. There was a way open to them—a legitimate, proper and honest way open to them—but silence was maintained and that silence was nothing but cold cruelty on the part of the Prime Minister, who in my judgment, lost in his own sense of frustration, sacrificed our Speaker in this House of Commons. Perhaps that may now be his manner of doing things, but I hope that is not so ever again in the future.

There were other things which happened, however, which make me believe this might be so. We had the situation of which you, Mr. Speaker, can know nothing because this happened in committee, where a minister of the crown moved that clause 1 be postponed—

Mr. Coldwell: Further consideration.

Mr. Stewart (Winnipeg North): —that further consideration of it be postponed, as the hon. member for Rosetown-Biggar points out. That was wrong by the rules of this house. The Prime Minister must have known of this wrongdoing on the part of his colleague, yet apparently it was not only condoned but it was connived at. There is only one belief I have and it is this, that the Prime Minister had to violate the rules of this parliament because he could not govern with them; and, sir, you are in the tragic position where we believe that you did not carry out the rules fairly, equitably and justly. But the primary blame I still place upon the Prime Minister.

I am angry even yet, and I hope our anger will not diminish as days go by. I am angry at what has happened to this House of Commons. I am angry with the way the government has treated the position which you hold. I am dismayed, sir, at what you did, no matter what the reasons may be and no matter what the excuses may be. I am dismayed that these wretched precedents which have been established will go on the official

records of this house to guide some government in the future to commit the same sort of iniquity that was perpetrated upon us in the last week.

I regret, sir, that you for whom I have had this respect find yourself in the position in which you are today. I have tried to understand your position; I hope, sir, that you will try to understand our position and realize how intolerable it is.

There is going to be a vote in this house and that vote will be decided by cold numbers. But no matter how it is decided it is not going to help in any way the malaise which afflicts this House of Commons now. I know no cure for it unless there be this. I think there is only one solution in honour, and that is for the Prime Minister of Canada to go to the people of Canada and justify his debauchery of the House of Commons of Canada.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, every hon. member who has risen in this debate has explained how distasteful the task he has been given is to him, yet I rise because I feel it is my duty to explain my own feelings in this regard.

I regret that a motion expressing the view that the recent actions of Mr. Speaker in improperly reversing his own decision without notice, in repeatedly refusing to allow members to address the house on occasions when it was their right to do so, and in subordinating the rights of the house to the will of the government has become necessary.

Yesterday the Prime Minister endeavoured to give the impression that there were many on this side of the house who did not feel that the motion was either necessary or warranted. I wonder where the Prime Minister has been during the past two or three weeks. I wonder where he has been mentally and in spirit, because physically he has been sitting in his seat listening to the debate and he has risen in his place to lead the vote of the government perhaps 15 or 16 times in appeals from the rulings of the Chair or in votes to sustain the ruling of the chairman of committee. Surely that in itself is an indication that there are many hon. members in this chamber who have doubted the correctness of the decisions which have been given by the Chair, and that in itself is an indication that there is a widespread feeling of non-confidence in the present occupants of the chair.

This afternoon we have listened to thoughtful and eloquent speeches given by hon. members on this side of the house who have been trained in the profession of law. In precise legal language they have pointed out to this chamber where errors and mistakes have been made, where the traditions of long ago have been violated. I rise merely as a lay member, as one not trained in the law. I have never taken a very keen interest in the rules of procedure of this house, but I have been hurt and wounded to the quick during the past few weeks. I feel it is incumbent upon me to express my feelings in that respect.

I appreciate deeply the ordeal to which Mr. Speaker is now being subjected. It must be extremely difficult for the Speaker or his deputy to remain in the chair and hear charges levelled against him as member after member rises in his place and states that he has lost confidence in the Speaker. It is not entirely of the Speaker's making, although I do feel he has exposed himself by his actions to grave criticism. The traditions of the office of Speaker, as has been pointed out this afternoon, are very high, and the position the Speaker holds is a great one; for he not only presides over the proceedings of this house but he must protect the liberties and rights of parliament in debate.

You, sir, sit alone in your great chair, dressed in your robes, which contribute to your authority and your dignity. But those robes are something more than decorative aids to authority. They emphasize the loneliness, which has been referred to, and the impartiality of your office. We are not draped in gowns, but you are there distinct and alone and impartial. You have no direct communication with individual members of this house.

On great national occasions we gather in public places and in churches and we sing the national anthem and other hymns and songs suitable to those particular occasions. There is one anthem which I recall, the first line of which is, "What do I owe?" It refers in a rhetorical way to the many conditions of man. The first verse commences:

What do I owe to this dear land of ours?

Then follows the answer:

All of my best, my time, my thought, my powers.

Then the next verse asks a question and gives the answer:

What do I owe to those who follow on?
To build more sure the freedoms we have won.

Surely that is the role of every member of the House of Commons, and particularly it is the role of the Speaker of this house, to build more sure the freedoms we have won so that those of future generations who may follow us will benefit, not only from our endeavours but from the endeavours of our forefathers. But those freedoms cannot be built up and made more sure without

constant watch. Vigilance must be there all the time. In referring to the freedoms Kipling uses these words:

> All we have of freedom, all we use or know
> This our fathers bought for us long and long ago.
> Ancient right, unnoticed as the breath we draw.

We are so apt to take these rights and treat them as though they do not really concern us. We take them for granted, and it is only on the rare occasions when those rights are challenged that we begin to notice. Rights were won for us centuries ago at Runnymede and in Westminster Hall. Cast your mind back to the 13th century when we had Magna Carta; then the petition of rights followed, the great remonstrance and the bill of rights. Those were all great endeavours by our forefathers to try to preserve the freedoms for the generations which would come. For centuries statesmen have been building on those rights in order that we may reap the benefit.

They were hard-won rights, sometimes in long debate, sometimes under great persecution and sometimes on the battlefield. It may be said that we cannot turn back the clock, that we cannot bring King John back to life, that Charles I was beheaded and cannot come back again. But I suggest that those were not merely men, they represented a state of mind which I regret to say still exists in this world, the state of mind of absolute power, the state of mind of the dictator. Unless we watch very carefully occasions will arise when we will have to protest against the encroachment of this state of mind which was represented by the actions of those dictators of long ago.

General Eisenhower made a very remarkable speech in the Guildhall of London at the close of the last war. These were his words in part:

> To preserve his freedom of worship, his equality before the law, his liberty to speak and act as he sees fit, subject only to the provision that he trespass not upon the similar rights of others.

He said that the men of London would fight for those rights. He went on to say that the men of his home town in the United States would also fight for those rights and for that freedom. We know that the men of Canada have fought for those selfsame rights.

But the events of the last few days have shown that His Honour the Speaker and his deputies have not permitted equality before this chair. They have denied the liberty of members to speak when members had a perfect right to express their points of view. There has not been equality before the law by this chair. The liberty of speech has been curtailed. Long years ago advice was given to a young man in these words:

> My son, if sinners entice thee, consent thou not.

Late Thursday evening and early Friday morning His Honour was enticed and His Honour gave consent. We will never know what sordid means were used to lure Mr. Speaker from his path of duty. The government honours its secrets and when it does to the extent that we have seen recently it becomes tyranny. On Friday last you suddenly reversed your decision and ruled a motion out of order. I shall not go into great detail about that unhappy event. I do not think it could be summed up better than in the words of the Leader of the Opposition (Mr. Drew) as found at page 4646 of *Hansard* of June 4:

> One of the most serious aspects of this strange course was that when I—
>
> The Leader of the Opposition.
>
> —attempted, as did many other hon. members, to be heard in regard to this matter on a point of order the Speaker refused to hear a word from any member in regard to this completely strange device which had been employed or which was then under consideration. At the moment the Speaker called the vote without permitting any point of order to be raised or any discussion whatever on the proceedings which were taking place, at that moment confidence in the Speaker disappeared in the minds of many members of this house. Then, as though this were not enough in itself, as though this were not defilement of our rules sufficient for one day, the Speaker after the vote on that decision had been taken announced that he found he had made a mistake in the ruling he had made about 5.15 p.m. the day before and for that reason all subsequent proceedings should be declared a nullity. Mr. Speaker, there can be no precedent for any such course.

Your fault, Mr. Speaker, on that tragic day was one of weakness and lack of resolution. Far greater responsibility rests on those men who, by threats or promises, played upon your vanity and your ambitions. But the Prime Minister saw nothing wrong with this barefaced flouting of parliamentary rules and procedures. He could find no occasion when Your Honour had refused to hear any opposition member when, in the Prime Minister's opinion, he had a right to be heard. The Prime Minister could only recall that the rules of the house had been disregarded to the extent of what amounted to the prejudice of the government. Prejudice of the government! That seemed to be the all-important thing.

He refused to admit that the rules of parliament had been subordinated to the will of the government. The government supporters, according to the Prime Minister, had created no scene, made no manifestation. Only the opposition was to blame. All his geese were swans.

The Minister of Finance followed along the same line. As leader of the house he refused to accept any responsibility for what had taken place the week before. These were some of the words he used, and I quote from page 4683 of *Hansard* of June 4:

> I am going to say something that is rather difficult for me to say under the circumstances. Both the Leader of the Opposition and the leader of the C.C.F. this afternoon said that all of us ought to regret what has happened, particularly what happened on Friday. I am going to agree with both of them.

Mark these words—

> However, I hope that in expressing agreement in that sense I am not to be taken as having accepted any responsibility for it.

That from the leader of the house! No wonder *Hansard* records some members as saying, "Oh, oh", and an hon. member as saying, "Oh, you hypocrite". Others referred to his sanctimonious attitude. Then he went on to say:

> A week ago Thursday night I did what no other member who has spoken in this debate has done. I rose in my place and appealed to the followers on this side of the house to remain in a condition which would not excite any feelings in this house, and from that day to this they have done so.

That was the man who only ten minutes before had done his best to provoke members on this side of the house and to agitate them by insulting them and using terms which no cabinet minister should stoop to use. Seven times, as recorded in the first two columns of his speech in *Hansard*, the Minister of Finance referred to this party in derogatory terms. "Tory party", he said, in a sneering tone; "Tory party", and he has the nerve to say that he had done nothing and none of his followers had done anything to excite the members of this party. Over 200 years ago the name "Tory" was given to the Conservatives in the United Kingdom. It was an insulting name drawn from a small band of Irish bandits. There were other names used for other parties in those days.

I have been here for some ten years. I realize that all parties have had a great history. The Conservative party has made a great contribution to the history of this country and to the history of democracy in other lands. The Liberal party has made a great contribution to the development of this country and the development of democracy in other lands. Those parties which have represented the socialist creed have made great contributions. But it ill behooves a minister of the crown to stand up and try to cast slurs upon other parties in this house. I may be wrong, but I cannot remember ever hearing any member on this side of the house refer to the Liberal party by derogatory names, certainly not seven times in the first ten minutes of a speech.

That is only an indication, Mr. Speaker, of some of the things which have been going on. I said when I started that I felt I had been wounded. I have tried to analyse my thoughts during this unhappy period. My thoughts and feelings after the events of last week were very akin to my thoughts when I heard of the abdiction of Edward VIII. I remember so well that I was driving through western Ontario going to Windsor when the word came over the car radio. My friend who was driving had to stop the car because he felt so ill when the sad news was heard. A position which he had revered had been insulted. A man of whom he had thought much had been shown to be unworthy of the high office that he held.

Those were the feelings I have had during the past few weeks. The dignity of the office of Speaker of this house, an office which I was prepared to revere, had been shattered. Men I had regarded with some esteem I have now lost faith in. I do not know how you are going to restore the confidence as between government and opposition and as between members and the Chair in this parliament. This is an unhappy house. This will remain an unhappy house as long as this parliament is in existence. We can never live on the same terms of even casual friendship as we have lived in the past.

I think the Minister of Finance is bound at all times to smart under that brand which has been given him. I refer to the brand of hypocrite. He cannot remove that from the record. If he is human he will find it difficult to associate with those he may think have used that term to him, whether or not it was justified. I know I feel that it is almost impossible for me to associate on any level of friendship with some of those who have taken a leading part in this debate.

It is an unhappy situation. I am deeply sorry for Mr. Speaker and for his deputy, the chairman of committees. I believe that they have made mistakes. I think they have been put in this terrible situation by the actions of the government; and I hold as being mainly responsible for those actions, the Prime Minister and the leader of the house.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I do not propose to engage in quite as violent language as did the hon. member for Esquimalt-Saanich.

Mr. Pearkes: Perhaps you do not feel as keenly.

Mr. Harris: I am sorry if I do not appear to feel as keenly as my hon. friend. I really do.

I shall do my best at once to apologize to him if I offended him in any manner by referring to his party as the Tory party. It may well be that with his particular knowledge of the origin of the word and his desire not to be associated with the occasion on which the words were first used, he would feel that that was not the type of name that he would like to have attributed to his party. I assure him that I was aware, as was he, of the origin of the word. I also wish to assure him that in my part of the country—as will be borne out, I am sure, by looking at *Hansard* the hon. member for Dufferin-Simcoe refers to us as Grits and we refer to them as Tories.

These old names, Mr. Speaker, have a certain affection and a certain meaning, and I thought that long ago the Conservative party had not objected to the use of the word "Tory". If they do, I immediately apologize for having perhaps lapsed into the vernacular on which I have been brought up in Ontario politics and which I am sure will long outlive both the hon. member for Esquimalt-Saanich and myself. I think these words will be used for all time to come. But in retracting them, I do so sincerely and I shall do my best to avoid the use of the word, at least in the House of Commons, if it is the desire of his party that I should not use it.

He spoke very feelingly at one stage about some matters to which I think I ought to refer later, and I hope I shall be reminded of them.

As everyone has said, Mr. Speaker, this has been a very unusual and unprecedented motion and debate. The Prime Minister spoke at some length the day before yesterday and gave detailed reasons why Mr. Speaker was, in our opinion, entitled to and enjoyed the warmhearted support of a great many of us in this house. I doubt that I should try to add anything to what he said. But after all, in view of what the hon. member for Esquimalt-Saanich has said, I think I might possibly say a few words both with respect to the immediate problem that faced Mr. Speaker and as to some of the reasons advanced in a general sense by those who have already spoken on the other side.

May I point out that the hon. member for Nanaimo introduced a resolution with respect to privilege. May I also point out that he had raised a question of privilege on a prior occasion and that it would not be surprising that Mr. Speaker had had occasion to consider what was then before the house. May I also point out that when the Leader of the Opposition spoke to the motion proposed by the hon. member for Nanaimo, at the first opportunity when he inquired if there was any point of order on this side, I raised a point of order as will be seen at page 4531 of *Hansard*. I raised the point of order in these words:

> As I recall the situation, a short while ago Your Honour ruled that you must put the question which was submitted to you from the committee of the whole. From that ruling there was an appeal to the house and the house upheld your decision. That being the case I suggest to Your Honour that no intervening proceeding can occur, because you had in effect said that the interpretation of the rule was that you—

And I remember emphasizing those words.

> —must then put the motion. If that is so, then I suggest that nothing can happen until—

At that point the hon. member for Dufferin-Simcoe interjected. Then Mr. Speaker rose to his feet and went on to say some words which I shall give in a moment, and I resumed my seat without having obtained from Mr. Speaker a ruling at that particular moment. But may I point out what Mr. Speaker said when he then rose to his feet. I think I can skip everything down to the final sentence at the bottom of page 4531, which begins as follows:

> If hon. members care to debate this matter before I myself am heard on the subject, I am not going to object; I am just going to let them go right ahead, but at one stage of the proceedings I want to say that I will have to be heard.

Let me continue further. There were some intervening interjections, and ultimately the Leader of the Opposition continued the debate. Mr. Speaker once again interjected, as will be seen on page 4532 at the top of the second column. Then the hon. member for Rosetown-Biggar interjected; then Mr. Speaker again, and I come finally to the bottom of the second column of page 4532 where I find these words by Mr. Speaker:

> This is a matter on which perhaps I might give a ruling on a future occasion, but at this moment I would ask hon. members to consider that there is a very serious matter before this house, perhaps much more serious than one foresees at this moment in the midst of other proceedings.

Mr. Knowles: In all fairness, read the whole paragraph; start at the beginning. The Prime Minister did this the other day too. It is shameful.

Mr. Harris: I have not the slightest intention of doing anything shameful, or of misleading anyone.

Mr. Knowles: The Prime Minister did it the other day, too.

Mr. Harris: I shall go back to the first of the paragraph.

> As regards the article by Mr. Eugene Forsey, in which he writes under the title "About Closure, the Speaker, and Rights of Parliament", there may be more paragraphs there which are incriminatory, but certainly not the whole of the article.

Mr. Knowles: That makes it tremendously different.

Mr. Harris: I continue:

> This is a matter on which perhaps I might give a ruling on a future occasion, but at this moment I would ask hon. members to consider that there is a very serious matter before this house, perhaps much more serious than one foresees at this moment in the midst of other proceedings. I repeat the suggestion I made earlier, that this matter for the moment be adjourned.

The Leader of the Opposition, however, did not adjourn the debate but continued. It will surely be obvious from this, but perhaps my hon. friend from Winnipeg North Centre would not even agree to this, that Mr. Speaker had something in his mind about this; that this was not the last word to be said on the subject.

Mr. Knowles: He said only that he might have to rule on how much of the article was incriminatory.

Mr. Harris: That may well be or it might not be. However, my hon. friends opposite are in a position to place upon these words any interpretation they desire. I point out to him, as I do to every hon. member who has spoken in this debate, that we on this side have opinions—those opinions are not well founded in the view of hon. members opposite; I recognize that—but I hope the time has not come when we are expected to accept their opinions without question.

The following day Mr. Speaker said in effect that, upon consideration, he had concluded these matters were not matters of privilege and therefore ruled the motion made by the hon. member for Nanaimo out of order. He asked if hon. members wished to appeal, and that is on page 4537 of *Hansard* for June 1, 1956. As almost every member who has spoken has said, the Leader of the Opposition at that point attempted to argue the merits of the decision. Mr. Speaker did not permit that but did ask him if he wished to appeal the ruling. He did, in fact, say on page 4537:

> I appeal your ruling but I also suggest that you should accept this motion.

That motion, I take it, was the motion of the hon. member for Nanaimo. At this point the Speaker had made a ruling and the Leader of the Opposition wished to discuss the ruling. The Speaker had not chosen to accept discussion of it but had given the opportunity, which he was bound to do, to allow an appeal from his decision. This appeal was dealt with.

While I am on the subject of appeals, Mr. Speaker, I do want to point out that I interjected only a few words into the address of the hon. member for Prince Albert because I know he would not want to have the record read as if he were referring to this parliament when in fact he was referring to the United Kingdom parliament.

Mr. Diefenbaker: I thank my hon. friend. I appreciate the interruption and I know that was the purpose.

Mr. Harris: It might perhaps be useful if every member who speaks after me in this debate, though I do not wish to suggest any course of action to anybody, would bear in mind the distinction between this parliament and the United Kingdom parliament. There is a real distinction. It may be that we have a better system or it may be that they have a better system. I do not think we need to debate that at this time. But let me point out that in the United Kingdom, and this is well known by all hon. members, there are no appeals from the Speaker's rulings; nor, if I remember correctly, are there any appeals from the chairman's rulings in committee.

It may be that the very fact we in this country do allow appeals, in fact we provide for them by the rules, is something which ought to be considered in this parliament. It may be that the fact there are appeals permitted by the rules inclines toward creating appeals for reasons which would not have too much weight in the long run if the appeals were not allowed.

Every member of this house has said, and we all recognize it, that when Your Honour entered into your present duties you were looked upon with the highest regard. As has been said, I think by the hon. member for Rosetown-Biggar, if in Canada we should reach a time when the Speaker might be continued in office for longer than the period of one parliament, it might be possibly while Your Honour was in that chair because of the high regard in which Your Honour was held.

I think that was a recognition not only of the personal regard in which you were held as a result of being acquainted with Your Honour since 1945 and in some cases earlier than that, but it was a state of mind brought about by the work you had done as a delegate to the United Nations on behalf of the people of Canada and because you had served as deputy speaker throughout the period 1949 to 1953 and had given universal satisfaction. All this builds up to the fact that when you entered into your duties you were held in the highest regard.

I speak subject to correction, but I do not recall any appeal from your rulings during at least the first two sessions of this parliament.

Mr. Fleming: One.

Mr. Harris: The hon. member for Eglinton tells me that there was one appeal prior to this session. I had forgotten it but I accept the correction. The Leader of the Opposition the other day in his quite good, historically correct and even in places moving remarks about the institution of the Speaker, did say something that I had either overlooked or had forgotten. As I recall it, he said that there had been newspaper criticism of Your Honour prior to the time we engaged in this debate. As I say, I do not recall it and he did not elaborate; however, I accept it as a fact. I would not know what newspaper criticism there had been of Your Honour prior to this debate, but if it had begun at that time it must have been as a result of appeals from your rulings in this house or of criticism of Your Honour in this house, because I doubt very much whether any newspaper editorial would undertake to criticize Your Honour if you were not being criticized in the house or by members of it. Therefore, looking back on it I have come to the conclusion, sir, that some time since this session began there have been criticisms of you or of your rulings by the opposition, because I am quite satisfied there was none on this side, and that brought about the newspaper comment.

May I point out again the very substantial difference between our parliament and that of the United Kingdom. I have heard you, sir, ask for and listen to points of order at very considerable length. I am not criticizing your conduct when I say that. I have known you, sir, to be half-way through putting a motion and then, out of courtesy, permit an interjection or allow a point of order or another comment to be made at that time by members of the opposition. I would hope that hon. members opposite, if they follow in this debate as I am sure they will, would tell me whether they would expect any such conduct from the Speaker in the United Kingdom parliament?

Mr. Fulton: No. There the government would defend the point of order instead of leaving it to their Speaker.

Mr. Harris: I shall come to that in a moment. So I say, Mr. Speaker, that some time prior to this debate there seemed to be growing up in this house a dissatisfaction with your rulings or with your conduct, I take it to be with your rulings. Let me ask hon. members opposite, is there any solution to dissatisfaction with a ruling of the Speaker except to put it to a vote of the house and to have a vote in which in all likelihood there would be a party division? So long as we have appeals that is bound to be the outcome in most cases.

It may well be that hon. members of the Progressive Conservative party will always support their leader if he appeals a ruling Your Honour has made. I think it is only to be expected that under these circumstances members of the Liberal party would support your ruling. It may be that members of the other parties present, not feeling particularly engaged in the matter, perhaps at times may support your ruling and at other times may not; but, as a matter of fact and without looking at the record in detail, I doubt very much whether that had occurred until recently.

I am of the opinion that the appeals which have been taken since the beginning of this session have been supported by the opposition groups, and we have upheld your rulings. Again subject to correction—I am sure the hon. member for Winnipeg North Centre will follow and tell me if I am wrong—I do not recall an occasion during this session when his party has not voted against the Speaker's ruling, and that before this particular debate began. I may be wrong, and if I am wrong I apologize. But, sir, so long as these appeals are allowed we shall have the appearance of a political dispute in this house about the Speaker's ruling.

If, as was the case in parliament previously, this was common practice, nobody paid a great deal of attention to it. I well recall—the hon. member for Prince Albert will recall as well—that on a great many successive Wednesdays when in those days we used to vote on motions for papers, it was almost an invariable rule that we would have divisions on motions for papers and the like. Then at a later time we would have appeals on the rulings of the Speaker as well. In those days we often used to have appeals on a decision as to whether or not a motion to adjourn the house to discuss a matter of urgent public importance was in order. Eventually that passed away.

When hon. members opposite in this particular matter express regret that we shall not be able to come to a conclusion except on what they think is a partisan vote, let me point out that since I came to parliament, and long before that, appeals with respect to the Speaker's rulings were decided in that particular way. Now, it surely is a matter for consideration that if that is the case, one wonders whether any useful purpose is served except to continue to remind the Speaker that there are members in the house who disagree with him, and nothing much beyond that.

This afternoon the hon. member for Vancouver-Kingsway suggested that we might consider—in fact he said we should consider —changing the rules of the house. I am free to

confess, Mr. Speaker, that the suggestion certainly appeals to me because, as the hon. member for Prince Albert has said, in the United Kingdom they have a different method of invoking closure from what we have. He was quite right the other night when he interjected in the course of my remarks that Mr. Speaker has a discretion in the matter in the United Kingdom.

I am sorry I did not catch what he said at the time, although I read it in *Hansard* afterwards. Had I caught it, I would have elaborated the point. In the United Kingdom, as I said the other night, they can have quick closure; they can have closure in a matter of hours. It is true that the putting of the motion for closure depends on the discretion of the Speaker, for the reasons which have been read to us this afternoon by the hon. member for Prince Albert. Nevertheless, Mr. Speaker, closure does in fact occur. It must have been evident in the course of the last three weeks that our closure rule has not been effective in any sense whatever as compared with what it had been prior to this or with respect to that which obtains in the United Kingdom parliament.

Mr. Diefenbaker: What does the minister mean by saying, it has not been effective?

Mr. Harris: Well, I will touch on that in a moment. My answer so far has been to a great deal that has been said because every speaker who has engaged in this debate, except perhaps the Leader of the Opposition, has been arguing about closure as if closure had anything to do with the motion before the house, except in so far as their feelings may have been engaged because closure was going on at the time, or the government was attempting to impose closure at the time this particular motion arose. But do not let us decide on the question of the Speaker because as opposition members we happen to disagree with closure invoked by the government and for which they are prepared to accept full responsibility.

The government knows perfectly well that closure is an unusual and rarely accepted method of passing legislation in this house. This afternoon the hon. member for Vancouver-Kingsway may have had a valid point when he criticized us for paying any attention to threats of filibuster made by members of the two parties opposite. I hope we will not argue that again. I only say this. The government invoked the closure rule after full consideration; and because we did that I hope no hon. member opposite will feel there is any reason for voting in favour of this particular motion with respect to the Speaker.

Now, there may be other reasons and I shall come to them in a moment. The hon. member for Esquimalt-Saanich spoke of those who had fought and died for this country and the freedom we enjoy. I paid particular attention, having regard to his distinguished service on behalf of this country in two world wars. I was a little disappointed, just a little, that he did not make it clear that there are a good many people on the government side who have fought for this country from time to time. I am sure it was just an accident in drafting the notes he had because he realizes as I do that we are—

Mr. Fulton: There was no reference to either side.

Mr. Pearkes: Just to keep the record straight, I made no reference to any hon. member of parliament having served in the war. My remarks were general. I was not thinking of members of this house.

Mr. Rowe: I think the hon. member simply said that many had fought.

Mr. Harris: I accept the hon. gentleman's statement that he was speaking generally. I was inclined to accept the criticism he was directing to me at that particular moment in the light of what he had said otherwise, and implying that perhaps those of us who had fought for this country were forgetting the freedom we fought for.

I accept the correction, sir, and say this. One of the things that must be decided in this debate, if it can be decided, is how this parliament can function if your decisions are to be subject to appeal. Now, if we have a situation arise in which every decision of the Speaker is to be subject to appeal quite obviously we shall not be able to legislate for those things with or without opposition which we consider should be done.

On the other hand in this country we have followed the practice, and I think it is a very excellent practice, sir, of having Speakers drawn from the two—I was going to say minority groups—which are the largest minority groups in this country; and I would not like to think we would enter upon a practice which over a number of years would not give an opportunity for service in the chair to persons like yourself who represent one of those great races. Nor would I like to think that we would enter upon a practice that would mean some other person, representing another part of this country, might not also have the honour of sitting in the chair.

We have imposed this disability, if you will, upon ourselves—and I do not call it a disability; I think it is the contrary—but one cannot compare the Speakership in Canada with that of the United Kingdom

unless we first make the Speaker's appointment permanent and second make his authority absolute in the sense that you do not permit appeals from his decisions.

Therefore, while I agree entirely with all the lofty sentiments my friend the hon. member for Prince Albert has expressed both in his own words and in the quotations he has read, I say that we can use those words in this country and we can mean them too, but our actions may not possibly live up to the words if we deny to the Speaker that authority and position which he enjoys in Westminster.

Mr. Diefenbaker: Just one word. Does the minister not agree, however, having regard to the fact that our system and the division of our population denies a permanent Speaker on the basis of one race or the other, that the one point I made was that the Speaker should be in no way subject to suggestion on the part of the government?

Mr. Harris: I entirely agree, Mr. Speaker, that the Speakership in this country, because of the situation which is created by a new Speaker every four or five years or whatever term parliament may run to, being in the difficult position of having to pick up the traditions and having to pick up his knowledge of the office and the manner in which to conduct it—

Mr. Fulton: His difficulty arises toward the end of his term, not toward the beginning.

Mr. Harris: The hon. member for Kamloops I think will agree with me that if this difficulty arose prior to this particular debate it will be necessary for hon. members of his party to explain why at this particular moment we have this particular motion. Now, I accept his leader's statement to the effect that it did arise prior to this, and I submit to him—

Mr. Drew: What is that? What did you say?

Mr. Winters: What did who say?

Mr. Harris: I said what I had said a few minutes ago, that in his introductory remarks my hon. friend the Leader of the Opposition had said that criticism had arisen with respect to Mr. Speaker in the press of Canada before this debate arose.

Mr. Drew: Yes; that is so.

Mr. Harris: And I went on to say—I do not know whether there was or not—I would expect that criticism could only have arisen if there was criticism here in the house.

[Mr. Harris.]

THE ROYAL ASSENT

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

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act for the relief of Lorinc Orvos Nagy.
An act for the relief of Regis Edouard Gosselin.
An act for the relief of William Boychuck.
An act for the relief of Edna Betty Berendt Payment.
An act for the relief of Leona Jennie Impey Mella.
An act for the relief of Joseph Elie Felix Leduc, otherwise known as Jean Leduc.
An act for the relief of Florence Mintz Etinson.
An act for the relief of Jeanne Yvonne Gaouyat Leroy.
An act for the relief of Adrienne Rozenbaum Melzak.
An act for the relief of Joan Louise Squires Connolly.
An act for the relief of Carol May Burch Squires.
An act for the relief of Irene Raab Agoston.
An act for the relief of Joan Marshall Bougie.
An act for the relief of Heather Thornton Williamson.
An act for the relief of Helen Louise Hancox Fray.
An act for the relief of John Wallace Herbert.
An act for the relief of Angeline Sperdakos Trakas.
An act for the relief of Sheelagh Duffin Bennett.
An act for the relief of Ruth Alister Creighton Jones.
An act for the relief of Doris Lillian Doughty Dick.
An act for the relief of Joan Etta Young Campbell.
An act for the relief of Doris Evelyn Hirsch Stephen.
An act for the relief of Luvina Mallet Lambert.
An act for the relief of Lois Margaret Clouston Willar.
An act for the relief of Mona Margaret McCastlin Adams.
An act for the relief of Dorothy Joanne Campbell Mockeridge.
An act for the relief of Edna Gertrude Neil Fry.
An act for the relief of Madeleine Tremblay St. Jean.
An act for the relief of Stephen Harvan.
An act for the relief of Charles Lanny Catto.
An act for the relief of Simonne Trottier Breard.
An act for the relief of Mary Murray Snook.
An act for the relief of Ruth Katie Brigden Battersby.
An act for the relief of Marie Dicerni Arcieri.
An act for the relief of Laurence Turgeon, otherwise known as Laurent Turgeon.
An act for the relief of Barbara Allen Deslauriers.
An act for the relief of Henri Xavier Eugene Bernard.
An act for the relief of Jeanette Cowan Weinstein.

An act for the relief of Rina LeBreton Fleurent.
An act for the relief of Hazel Annie Palmer Martel.
An act for the relief of Phyllis Matilda Clayton Sawyer.
An act for the relief of Leonora Cancelli Desgroseilliers.
An act for the relief of Eugenia Towstuk Podilchuk.
An act for the relief of Rose Rother Lewartt.
An act for the relief of Marie Germaine Muguette Andree Brunet Sievert.
An act for the relief of Joan Noble Rusk.
An act for the relief of Joseph Edouard Walter Gerard LeBlanc.
An act for the relief of Marie Jeannine Eda Coderre Azaria.
An act for the relief of Mary Margaret Florence Bradley Green.
An act for the relief of Mary Wylie Johnston Haan.
An act for the relief of Christina Walsh McBrearty.
An act for the relief of Marie Anne Roy Suess.
An act for the relief of Ray Israel Lieder.
An act for the relief of Lillias Cushnie Dowden Grande.
An act for the relief of Angelina Heylen Thirion.
An act for the relief of William James Munden.
An act for the relief of Robert Raymond.
An act for the relief of Jacqueline Gagne Brothers.
An act for the relief of Nathan Fishbine.
An act for the relief of Dorothea Atkinson Bosse.
An act for the relief of George Evangelinelis.
An act for the relief of Tatiana Holowko Kucznski.
An act for the relief of May McMullin Bjornson.
An act for the relief of Adrienne Cote Souliere.
An act for the relief of Imogene Eva Patricia Hayes Knox.
An act for the relief of Maria Domany Cap.
An act for the relief of Elfrieda Eggert Nowinski.
An act for the relief of Mary Valerie Dorothy Johnston Bromwich.
An act for the relief of Islay Isobel Campbell Jones.
An act for the relief of Audrey Joan Atkinson Hanson Hanson.
An act for the relief of Marie Eglantine Victoria Laurenza Gagne Holowaty.
An act for the relief of Barbara Helen Major Kaye.
An act for the relief of Hazel McJanet Thompson Stewart.
An act for the relief of Patricia Marion Cook Townsend.
An act for the relief of Helen Joan Franks Manley Sellen.
An act for the relief of Lily Kite Herscovitch.
An act for the relief of Mary Bagdonas Roselle.
An act for the relief of Arthur Telford Bates.
An act for the relief of Marjorie Pennell Robinson.
An act for the relief of Joseph Henri Andre Lessard.
An act for the relief of Sheila Joan Mencher Morantz.
An act for the relief of Frances Marie Ware Ami.
An act for the relief of Shirley Field Schleider.
An act for the relief of Jeannine Cecile Marie Tessier Davies.
An act for the relief of Madeline McIsaac Metayer.
An act for the relief of Gloria Ann Hazelton Stewart.
An act for the relief of Clifford Acland Barber.
An act for the relief of Hilda Louise Prewer Shaver.
An act for the relief of Gertrude Earle Bell.
An act for the relief of Leba Lee Black Lichtenstein.
An act for the relief of Helen Walker Seivewright Edwards.
An act for the relief of Gertrude Hayes Renaud.
An act for the relief of Isabell Jones Page.
An act for the relief of Joyce Burgess Lewis Cloutier.
An act for the relief of Marie Yvonne Blais Leger.
An act for the relief of Jeanne Fleury Touchette.
An act for the relief of Doris Cammy Lapkoff.
An act for the relief of Thea Anna May Laskowski.
An act for the relief of Thelma Barton Taylor McPhee.
An act for the relief of Olga Pritula Memi.
An act for the relief of Ethel Elizabeth Margaret Ritchie Campbell.
An act for the relief of Edith May Robertson Thompson.
An act for the relief of Hans Christian Anderson
An act for the relief of Raffaele Polissena.
An act for the relief of Hilda Evelyn Charlton Carlson.
An act for the relief of Dorothy Pilkington Wilson.
An act for the relief of Dorothy Nesbitt Ward Pratt.
An act for the relief of Nichita Tomescu.
An act for the relief of Lilly Katoffsky Schwartz.
An act for the relief of Rita Beryl Gwendolyn Scott Darlington.
An act for the relief of Dorothy Christie Bradley Cunniam.
An act for the relief of Samuel Marks Stirling.
An act for the relief of Violet Ethel Stanway Sharpe.
An act for the relief of Elizabeth June Robertson Fraser.
An act for the relief of Shirley Ann Joss Le Boeuf.
An act for the relief of Marguerite Catherine Evans Macfarlane.
An act for the relief of Agniete Stravinskaite Paskevicius.
An act for the relief of Joseph Marc Bernard Levesque.
An act for the relief of Kenneth Wilfred Morgan.
An act for the relief of Mary Helen Norah Whelehan Gondos.
An act for the relief of Roger Paul Rene Hilaire Varnier.
An act for the relief of Sarah Abramovsky Gordon.
An act for the relief of Ruth Shirley Churchill O'Neill.
An act for the relief of Edgar Ferland Theoret.
An act for the relief of Therese Laure Turgeon Garson.
An act for the relief of Marie Jeannine Lucette Poirier Legault.
An act for the relief of Marie Rose Theresa Allain Gauvin.
An act for the relief of Marie Therese Murielle Audelin Blemur.
An act for the relief of Frantisek Horsky, otherwise known as Francis Horsky.
An act for the relief of Anne Campbell Hogwood.
An act for the relief of Maud Virginia af Ugglas Marchant.
An act for the relief of Annie Eva Lewin Sutcliffe.
An act for the relief of Vanda Vainoraite Lebedziunas.

An act for the relief of Ivy Hutchcraft Fawcett.
An act for the relief of Charles Edouard Racicot.
An act for the relief of Jeanine Yvonne Pinatel Wells.
An act for the relief of Georgina Mary Elizabeth Forcade Sheehan.
An act for the relief of Bridget Ann Hamilton Limoges.
An act for the relief of Mildred Jane Clendenning Dephoure.
An act for the relief of Elizabeth Marie Hartwig Bensinger.
An act for the relief of Beatrice Mary Lucretia Glassco Bishop.
An act for the relief of Marie Therese Justine Georgette Spenard Mignault.
An act for the relief of Vera Florence Gilson Shehyn.
An act respecting Quebec North Shore and Labrador Railway Company.
An act to incorporate the Western Gospel Mission.
An act to incorporate the Canadian Council of Churches.
An act respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.
An act to amend the Trans-Canada Highway Act.
An act respecting the pension fund society of the Dominion Bank.
An act to amend the Canadian Citizenship Act.
An act to implement an agreement between Canada and the kingdom of Denmark for the avoidance of double taxation with respect to income tax.
An act to amend the Department of Transport Act.
An act to amend the Judges Act.
An act to incorporate the Fellowship of Evangelical Baptist Churches in Canada.
An act respecting Canadian Pacific Railway Company.
An act respecting Trans-Prairie Pipelines of Canada, Ltd.
An act respecting Ogdensburg bridge authority.
An act respecting the construction of a bridge over the St. Lawrence river near the city of Trois-Rivieres.
An act to amend the St. Lawrence Seaway Authority Act.
An act to amend the National Housing Act, 1954.
An act to establish the Northern Ontario Pipe Line Crown Corporation.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

HOUSE OF COMMONS

MR. DREW—MOTION OF NON-CONFIDENCE IN PRESIDING OFFICER OF THE HOUSE

The house resumed consideration of the motion of Mr. Drew:

In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

[Mr. Speaker.]

Mr. Harris: Mr. Speaker, may I ask how much time I have?

Mr. Deputy Speaker: Nine minutes.

Mr. McIvor: Where is the opposition?

Mr. Harris: Mr. Speaker, if the hon. member for Esquimalt-Saanich were here I would point out—and though he is not here I do it anyway—that the Ottawa *Journal* uses the phrase "western Tory in final criticism".

Mr. Nowlan: Are there any connotations to that?

Mr. Harris: No, none whatever.

Mr. Nowlan: The hon. member for Esquimalt-Saanich is here now. Say it to him.

Mr. Harris: Yes. Just before my hon. friend came in I was referring to an Ottawa *Journal* headline which reads "Western Tory in final criticism". However, I accept my hon. friend's objection to that word on a permanent basis.

Mr. Speaker, when I broke off at a quarter to six I think I had come to the point where I said it would appear that any decision we have made in the past with respect to a decision by Mr. Speaker has been made largely on party lines, and that probably any decision we may make in the future will be made largely on party lines. I repeated that I thought this situation was the result of the system we had in this country, and I did not criticize that system. I did submit to hon. members that they should consider whether or not we would ever avoid the possibility of that situation so long as we allowed an appeal to the house from a decision of Mr. Speaker.

In the course of this debate it has been implied—I do not think it has been suggested directly—that it is unfortunate that Mr. Speaker's conduct should be brought into question and that the matter could only be decided in this manner, namely by a resolution with respect to his conduct. Let me point out that this form of resolution could be used—I am not suggesting it is being so used at the moment—to advance the party disputes which occur in this house.

By one of the hon. members who spoke earlier in the debate I think it was suggested that the only way to resolve this problem was to dissolve the house so that we would have a new parliament and presumably a new Speaker. But let me point out that if an opposition felt that was the way to conduct the business of the house, and if they felt that a government would be obliged to dissolve parliament because they attacked the Speaker, then I suggest to you that these attacks might possibly be more frequent than they have been.

It is true that the government at least proposes to parliament the choice of a Speaker. That is the duty of the government. In this particular case I recall that the Leader of the Opposition joined in the recommendation to parliament. It would always be the duty of a government to recommend another Speaker on another occasion, whatever the government may be.

I know that hon. members opposite feel extremely strongly on this particular point. I know that every one of them is aware of the great responsibility that all of us bear in the consideration of the discharge of the duties of Mr. Speaker. I am ready to agree that they must have given long, careful and serious thought to the proposal before us. Even if it were moved, as I think it was, at a time when feelings were stronger than they have been at any other time while I have been in the house, the fact of the matter is that the resolution was allowed to remain on the order paper and to be moved some 48 hours or so after that.

I give my hon. friends opposite full credit for taking a serious and solemn view of the problem before they engaged upon the debate of this resolution. But for the reasons I have given, Mr. Speaker, it would seem that it would lead to only one conclusion; and I wonder whether, under our system, any other conclusion could be reached and whether or not it is desirable that we should come to that conclusion.

May I just add one word more. Both the leader of the C.C.F. party and the hon. member for Esquimalt-Saanich, in their remarks, have spoken of the friendships they have enjoyed in the house, which they do not feel could continue under present conditions. I sincerely regret that expression of opinion. I have always had a high regard for both hon. members and for every other member of the opposition. I would hope we would recognize that if this motion is disposed of by a vote, it would be, generally speaking, on party lines; that is the only way, according to our rules, in which it could be disposed of.

For that reason I would hope that after this is over, all of us could take a view which would not be the view expressed by the two hon. gentlemen but rather that now we have discussed it and hon. members have expressed themselves—and I must say with dignity on every occasion—all of us could vote and accept the result; that we could take up where we left off without these friendships having been more than temporarily involved; and that we could once again work together in the sense that a government and an opposition work together in the larger sense of being part of a parliament which is here for the purpose of disposing of the business of the people of Canada, with opposition, as my hon. friend has said, and with proposal and support on this side but on the basis—which is the true basis—that all of us are sent here to discharge our duties seriously and honestly, and that all of us are trying our very best to do that.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to take part in this debate with mixed feelings. So far as His Honour the Speaker is concerned I approach what I have to say with a heavy heart. So far as the government's part in this whole affair is concerned, it is difficult for me to express my feelings.

With regard to Mr. Speaker—though some may wonder at this in view of what has happened in the last few days and in view of what I may say before I take my seat—I am going to say that there is no friendship with any other person in this House of Commons that I value and enjoy more than I do my personal friendship with Mr. Speaker. So far as I am concerned that friendship arises because of my respect for his qualities as outlined this afternoon by my colleague the hon. member for Vancouver-Kingsway. I suppose it is also true to say that it arises because of a common interest in parliamentary procedure. Not only have I personal respect for my friend Rene Beaudoin, but I have the highest of regard for the industry with which he has applied himself to his task as Speaker and for the tremendous knowledge he has gained of parliamentary procedure across the centuries. Despite what has happened in the last few days and despite what duty compels me to do in this debate, I hope that friendship between us will continue.

When I think of Mr. Speaker and what he has done for parliament in these last three years—up until a few days ago—I am conscious of the job he has done here on the floor of parliament. I say this to the Minister of Finance, despite the specious attempt he made to picture the opposition as having been critical of Mr. Speaker for a long time. I say that Mr. Speaker's job in this parliament has been appreciated by all of us in the opposition just as much as by those who sit to his right.

Mr. Harris: I did not say anything about a long time.

Mr. Knowles: The Minister of Finance went to great pains to indicate that the criticism of Mr. Speaker by the opposition did not start with this pipe-line debate. He went to great pains to indicate that there had been criticism of his rulings prior to this pipe-line debate, and that that was the basis of the

newspaper attacks on Mr. Speaker which occurred prior to the time the pipe-line debate began.

Mr. Harris: I referred to the fact the Leader of the Opposition had said that. I said that I myself did not know about it.

Mr. Knowles: I am prepared to let the record speak for itself. I paid very close attention to what the Minister of Finance said.

Mr. Lesage: That is what he said.

Mr. Knowles: I paid very close attention to what the minister said this afternoon. I want to tell him that, subject to my not having been able to find everything on the point between the time I had supper and eight o'clock, so far as I can ascertain there were only two appeals against rulings by Mr. Speaker prior to the pipe-line debate.

Mr. Pickersgill: That is correct.

Mr. Knowles: I thank the Minister of Citizenship and Immigration for confirming that fact. First may I say that there were no appeals in the session of 1954. In the session of 1955, there was only one appeal. It occurred on July 5 of that year and is recorded on pages 5683, 5684 and 5685 of *Hansard*. The appeal was made by the Progressive Conservatives. When the vote was called naturally the Progressive Conservatives voted against Mr. Speaker's ruling but we of the C.C.F., along with the members of the Social Credit party and the members of the government, voted to sustain Mr. Speaker's ruling. Let the record speak for itself, Mr. Speaker. Prior to the pipe-line debate there were only two appeals of Speaker's rulings in this parliament. In one case we voted against the ruling and on one occasion we voted to sustain the ruling.

The other of the two to which I have referred occurred on March 23 of this year, and is recorded on page 2457 of *Hansard*. The occasion was a motion for the production of papers moved by my colleague the hon. member for Yorkton to which the Minister of Citizenship and Immigration applied a treatment that was dug out of antiquity. We did not like it. We protested against it and we argued about it. At this moment I cannot recall whether we were thinking of appealing the ruling, but in the course of the argument Mr. Speaker was offended by something the hon. member for Prince Albert said and the result was that Mr. Speaker virtually challenged the hon. member for Prince Albert to appeal the ruling. The hon. member for Prince Albert did so, and that was the occasion when we voted against Mr. Speaker's ruling.

[Mr. Knowles.]

In addition to the fact that for two and a half sessions there were only two appeals, there have been quite a number of occasions when Mr. Speaker has ruled against motions or amendments moved from this side of the house. I confess that the number of rulings against motions or amendments made by members of the C.C.F. group seems to be fewer than is the case for members to my right or left, but there have been some cases affecting all three parties on this side of the house. In none of those other cases except the two to which I have referred were appeals launched. I call my colleagues around me as witnesses to this statement. There have been several occasions when one colleague or another has been dissatisfied with the ruling Mr. Speaker has made and has suggested to me that I should appeal it. I have turned around and said, "No; Mr. Speaker is being fair." There have been occasions when Mr. Speaker has ruled against the government. He ruled against the Minister of Finance in respect of the Post Office Act. So I have said to my colleagues, Mr. Speaker is being fair and if we like his rulings when he rules against the government we cannot stand up and appeal his rulings when he rules against us.

Mr. Harris: I think it was the Deputy Speaker who ruled against me.

Mr. Knowles: So far as we are concerned, it does not matter. The occupants of the chair are one; and whichever occupant has made a ruling we have been happy, until the start of the pipe-line debate, over the kind of impartial treatment given to this House of Commons by the occupants of the chair during this twenty-second parliament.

I confess that in the parliament from 1945 to 1949 we got into the habit of making appeals. There was no other way we could get a vote. Those who were here remember the experience. Perhaps it was because we made so many appeals from 1945 to 1949 that the habit carried over into the next parliament for a time, but we soon discovered that in Mr. Speaker Macdonald we had a presiding officer in whom we could place our confidence. In fact, I remember that once in the very early months of his Speakership he ruled against the Prime Minister, and the habit of making appeals began to disappear. The habit had virtually died out with Mr. Speaker Macdonald, and when Mr. Speaker Beaudoin came into the chair he inherited a happy relationship between the house and the Chair and he was able to develop that relationship into one of the best relationships that could ever have obtained between the Speaker and the House of Commons.

I know that I enjoyed it. I know that the friendships built up during that period are such that, so far as I am concerned, they will outlast even the experience through which we are going now. I repeat that the conduct of the Speaker up until a short while ago was something that deserves from all of us the highest commendation.

I am conscious, Mr. Speaker, not only of the tremendous job you have done here in the house. I am conscious not only of your impartiality across the years to us here in this chamber, but I also have very vivid memories of a committee over which Mr. Speaker presided for two full sessions. I refer to the committee which was set up for the purpose of revising the rules of the house, which brought in a report that was adopted last July, a report which in due course became our standing orders as they are now constituted. I say to the Minister of Finance, and he knows this, that if it had not been for the approach of Mr. Speaker, if it had not been for his impartiality; if it had not been for his determination that the rules of this parliament were to be the rules of parliament and not the rules of the majority, there would not have been a unanimous report last summer.

My friend the hon. member for Winnipeg South Centre is confirming that statement. The Minister of Finance knows that after two years of battling things out in that committee, that was subsequent to earlier committees in the days of Mr. Speaker Macdonald, and Mr .Speaker Fauteux, finally the point was reached in that committee where we were at loggerheads. We could not agree. The Minister of Finance had his rule changes that he felt the committee should adopt. We had gone through them; we had argued them; we had voted and we had had amendments. We had spent all kinds of hours without reaching a report that could be unanimous at all.

The hon. member for Winnipeg South Centre, the hon. member for Kamloops, the hon. member for Acadia, the Minister of Finance and others who were members of that committee will recall that things were getting difficult. It looked as though the battle was lost. It looked as though the Minister of Finance was going to get his way simply by moving that the changes the government wanted be put through, that the report be made back to the house and put through by a majority vote of the House of Commons.

What did Mr. Speaker do? The minister knows what he did. He said he would not present to the House of Commons in his name as chairman a report that was the report of the majority only. There had to be compromise; there had to be a report that would represent as nearly as possible unanimity of opinion on the part of that committee, and I remember the night across the way in room 16 when Mr. Speaker almost literally took four heads and banged them together, the head of the Minister of Finance, the head of the hon. member for Kamloops, the head of the hon. member for Acadia and my head. He said, "It is time for you four fellows to get out and get together in a subcommittee and come back with a report".

The proposal of Mr. Speaker became a motion and a decision of the committee was reached late that night, at eleven o'clock or perhaps twelve o'clock, in room 16 across the way. As instructed we were up in the office of the Minister of Finance on the fourth floor at nine o'clock the next morning. We started in, and my colleagues will confirm it, and found it was tough going, particularly under those circumstances, to try to give and take, but we did it.

I was looking today at *Hansard* of July 1, 1955, when the report of that committee was moved in this house by the Minister of Finance and seconded by the hon. member for Kamloops. But for the fact that the hon. member for Kamloops was seen first, either one of the other two of us would have had the honour to second it. Why? Because we had reached unanimity, because we had a presiding officer in this house who sensed what parliament should be like, who insisted that the rules of parliament were the rules of parliament, not the rules of the government; and this book we have, or this book we had until a week ago, the standing orders of the House of Commons, representing the unanimous report of the committee that worked for years, is our possession in the House of Commons because of the impartiality, because of the fairness, because of the appreciation of parliamentary tradition in the heart and mind of Mr. Speaker Louis René Beaudoin.

I shall never forget that experience. No matter what comes out of this situation in which we are, my friendship for him, my regard for him will continue. But, Mr. Speaker, in the meantime something has happened. First may I say, indicating our continuing regard for Mr. Speaker, indicating also the attitude of this house toward Mr. Speaker's rulings, that as late as May 3 of this year when the fever of the pipe line was beginning to rise though the legislation had not yet reached us, there was a motion under standing order 26 moved by the Leader of the Opposition that had to do with a pretty contentious issue,

the McMahon correspondence, and some question as to whether the Minister of Trade and Commerce had been completely fair with the house.

Mr. Speaker ruled the motion of the Leader of the Opposition out of order. The Leader of the Opposition appealed the ruling. It was one of those cases where no appeal is allowed. Mr. Speaker, in his desire to be fair, was leaning over backward. If you read *Hansard* of that day, May 3, 1956,—most members do not have to read it; it is still fresh enough in our memories—you will see that the point was reached where it looked as though Mr. Speaker was going to allow an appeal. Who was it that came to his support; who was it that rallied Mr. Speaker to stand firm; who was it that reminded him of his previous decisions? It was my leader, the hon. member for Rosetown-Biggar. Supported by the statement my leader gave on that occasion, Mr. Speaker rallied and refused the appeal that the Leader of the Opposition sought to make. There the matter rested. That is the kind of regard this house had for Mr. Speaker until recent days.

I come down to May 7 of this year, the day before that dramatic day when the Liberals held a caucus in the morning and the Minister of Trade and Commerce made his statement in the afternoon and filed notice before six o'clock of the resolution preceding Bill No. 298. My leader, the hon. member for Rosetown-Biggar, presented a motion to adjourn the house under standing order 26 to discuss the matter of an across-Canada pipe line, with the suggestion of public ownership in the motion. This was something pretty basic and pretty fundamental so far as we were concerned.

It was ruled out of order by Mr. Speaker. In his comments he said something which we thought indicated that he was prepared to have an appeal. My leader asked whether that was what he meant. Mr. Speaker said, "No, there is no appeal". My leader accepted it. It ended there. This was on the day before the Minister of Trade and Commerce stood in this house and told parliament what it was he was going to demand, no matter what it might do to parliament, as we have learned to our sorrow. That is the kind of Speaker we had until recent days; that is the kind of relationship we had between the Chair and the members of this house. Then came the determination of that minister who operates on the slogan, "What Lola wants, Lola gets", and there followed the days which are now part of bitter memory.

I am not going through the things that happened during the first few days of that debate when we began to feel that something had happened, something had snapped. But that was our experience. Where was our Speaker, where was the man in whom we had learned to place such confidence? Point after point that we would raise was turned down. We fell back on our only recourse, that of making appeals. The more we felt we were being denied our rights, particularly under the threat of closure, the more it seemed as though there was nothing else for us to do but to keep on raising points of procedure, trying to establish and to protect our rights.

Finally came the day that caused all the trouble. I shall not discuss anything that happened previous to May 31 and June 1, because up to that point I think we might have survived; although, as the hon. member for Vancouver-Kingsway pointed out, he warned the house and the government a few days before that we were drifting toward a crisis.

Well, other members have recited what happened on the night of May 31 when Mr. Speaker, after having heard the point of order of my friend the hon. member for Winnipeg South Centre, heard the point of privilege made by my colleague the hon. member for Nanaimo, and suggested to him that he should not proceed with the point of privilege unless he was prepared to put it in the form of a motion. He did so; he followed the instructions of Mr. Speaker as to how to draft the motion. He sent the documents in question to the Clerk, as suggested by Mr. Speaker. Everything was being done just as Mr. Speaker was suggesting that it be done. The next morning, June 1, something seemed to have happened. The Winnipeg *Free Press* in an editorial on Monday, June 4, 1956, said this:

> The circumstances may, for once, be fairly put in an analogy with a football game. Late in the third quarter, the referee makes a decision that leads on to a vital score for the visiting side. The officials of the home team are obviously much upset. The fourth quarter begins with the referee announcing that he has changed his mind, that he made a wrong decision in the third quarter, and therefore play shall now proceed from where it was before he made that decision.

How apt is that description.

Mr. Hodgson: I'll say.

Mr. Knowles: That morning, June 1, our trusted and revered Mr. Speaker, the one in whom we had such confidence, began to break standing orders and citations right and left. I ask you first of all to note citation 216 in Beauchesne's third edition:

> On resuming an adjourned debate, the member who moved its adjournment is by courtesy entitled to speak first if he rises in his place when the order is called.

I ask you to couple that with standing order 7, which the Prime Minister quoted to us the other day in another debate, which reads:

> At the ordinary time of adjournment of the house, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

It is clearly established that on the morning of June 1 the Leader of the Opposition had the floor; he was in the middle of his speech. Interrupting him at that point was a violation of standing order 7 and a discourtesy to the Leader of the Opposition under citation 216 of Beauchesne's third edition. "But oh", says someone, "it is proper for the Speaker at that point if he feels he must do so to raise a point of order". No. In doing that Mr. Speaker violated the provisions of standing order 50, which reads:

> Whenever Mr. Speaker is of opinion that a motion offered to the house is contrary to the rules and privileges of parliament, he shall apprise the house thereof immediately, before putting the question thereon, and quote the standing order or authority applicable to the case.

If the motion of my friend the hon. member for Nanaimo was out of order, the time for Mr. Speaker to tell the house was before he put the question. But no; the night before he put the question as in order. Rising on a point of order discourteously in the midst of the speech of the Leader of the Opposition I say was out of order. Then Mr. Speaker refused to hear anyone on his point of order. His contention was that this motion which was in order the night before was out of order the next morning.

I shall not go into the argument as to whether any of the rest of us might also have had the right to speak to the point of order; if that were at stake I would argue that too, but I am not going to confuse it by going that far. But I do say this, that in addition to the standing orders and citations I have already given which our revered and trusted Mr. Speaker broke, he on that occasion broke standing order 34, which reads as follows:

> Any member addressing the house, if called to order either by Mr. Speaker or on a point raised by another member, shall sit down while the point is being stated, after which he may explain.

The Leader of the Opposition sat down and Mr. Speaker stated his point of order but he denied the Leader of the Opposition the right to explain after he had sat down. What a way to start a day, a day we shall never forget.

Now, of course, we have had the Prime Minister and the Minister of Finance indulge in what I can only call distortion, because they have tried to contend that Mr. Speaker forecast the night before the ruling against the motion which he made the morning of June 1. I apologize to the house for the anger with which I interrupted the Minister of Finance this afternoon, but I confess that is how I felt. Perhaps I should not have made the apology.

The Minister of Finance this afternoon endeavoured to create the impression that the ruling Mr. Speaker gave on the morning of June 1 was not something new but something forecast by what was said the night before. The minister tried to create that impression in two ways. On the one hand he drew attention to his own intervention in the speech of the Leader of the Opposition, recorded at page 4531 of *Hansard*, when he suggested that no motion of any kind should have been entertained by the Speaker at that time.

Mr. Speaker did not rule the motion out of order the next morning on that ground; not at all. I say it is unfair, it is misleading the house and it is a case of distortion for the Minister of Finance to try to say that his intervention here in the house the night before was the basis upon which Mr. Speaker made his ruling the next morning. Then in an attempt to create the impression that some doubt had been cast the night before on the validity of my hon. friend's motion, the Minister of Finance read this, quoting from Mr. Speaker's words as recorded at page 4532 of *Hansard*:

> This is a matter on which perhaps I might give a ruling on a future occasion—

It was at that point I burst in saying that it was shameful for the Minister of Finance to mislead the house in that way, trying to suggest that Mr. Speaker the night before had said to the house that he might have to rule the next day on the whole motion.

Mr. Pickersgill: The hon. member did not read the other quotation. I am referring to what Mr. Speaker said at the bottom of page 4531. Perhaps the hon. member would not mind reading that.

Mr. Knowles: I do not want to be unfair. Where is it I am skipping?

Mr. Pickersgill: If you will look at the bottom of page 4531, the second last line, and read from there on for three or four lines on the next page.

Mr. Knowles: My hon. friend is drawing my attention to the fact that Mr. Speaker said the night before that—

Mr. Pickersgill: Would the hon. gentleman read it?

Mr. Knowles: Surely. It reads:

> If hon. members care to debate this matter before I myself am heard on the subject, I am not going to object; I am just going to let them go right ahead, but at one stage of the proceedings I want to say that I will have to be heard.

Mr. Pickersgill: Exactly. That is surely the whole point.

Mr. Knowles: Mr. Speaker, that is on my side of the argument. That proves Mr. Speaker had no notion prior to ten o'clock Thursday night of ruling this motion out of order.

Mr. Pickersgill: Well, if you will also read the other quotation—

Mr. Deputy Speaker: Order.

Mr. Cardiff: You are getting in deeper; you had better keep quiet.

Mr. Pickersgill: I am sure the hon. member wants to be fair.

Mr. Knowles: That is exactly the case, and my point is that the Minister of Finance was grossly unfair, because as I pointed out he had not read the—

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

Mr. Knowles: If it is short; I am watching my time.

Mr. Carrick: It is very short and it is this. Would you mind reading to the house the point in the second last paragraph on page 4531 where the Speaker said it seemed to him the thing to do was to postpone consideration of this motion. Does that not indicate he did not find a question of privilege existed and he wanted to postpone it?

Mr. Knowles: That is a fair enough question. All these points, Mr. Speaker, indicate that the Speaker was not sure when was the best time to debate it, that he was not sure how much of the two articles should be regarded as incriminatory. But there was no question about the validity of the motion, no question but that the motion itself was proper. I thank my hon. friend, the Minister of Citizenship and Immigration, and the hon. member for Trinity for helping me out on this.

Mr. Pickersgill: Would the hon. gentleman just let me put one other question? He says that there was no question raised about the validity of the motion. There was a question raised, which I think he will admit, by the leader of the house, the Minister of Finance, which is reported on page 4531 of *Hansard* of May 31. The point raised, as the hon. gentleman knows, was a completely valid point.

[Mr. Pickersgill.]

Mr. Knowles: Whether or not the point raised by the Minister of Finance was valid, and I concede that it might well be a valid one, that is not the point on which the Speaker ruled the motion out of order the next morning. The minister knows that just as well as I do. Just before I get too far away from this point, may I indicate what Mr. Speaker said, as reported at the bottom of the second column on page 4532:

> As regards the article by Mr. Eugene Forsey, in which he writes under the title "About Closure, the Speaker, and Rights of Parliament", there may be more paragraphs there which are incriminatory, but certainly not the whole of the article. This is a matter on which I might perhaps give a ruling on a future occasion.

That followed the paragraph in which Mr. Speaker had singled out sentences in the other letter which in his view were incriminatory.

An hon. Member: Three words.

Mr. Pickersgill: Is not that what he based his ruling on?

Mr. Knowles: No. The next morning Mr. Speaker ruled that the whole motion was out of order. He did not at that time, as the Minister of Finance implied, contend that the point of order raised by the member for Winnipeg South Centre should not have been raised. On the other point, there was no suggestion by Mr. Speaker or no suggestion by anybody that the motion itself was out of order.

This is what represents the real problem, because next morning we had a complete turnabout. There was an attempt by the Prime Minister like that of the Minister of Finance. I mention the Prime Minister because he did the same thing as the Minister of Finance when he spoke on Monday, June 4, where he is reported at page 4655 of *Hansard* as follows:

> You had already made it quite clear that you felt you might have to make a ruling upon the question at some time. On the following morning, when the matter was called, you did give the ruling that was cited in the *Votes and Proceedings* of June 1 by the Leader of the Opposition.

I say that is misleading. Mr. Speaker gave no indication the night before that he was going to make a ruling on the motion as a whole; the only indications he gave the night before were that he might have to rule on how much of the letters was incriminatory, plus the indication that he himself might wish to speak.

Mr. Pickersgill: The hon. gentleman is putting an interpretation on words.

Mr. Fulton: That is the only interpretation possible.

Mr. Pickersgill: We simply do not agree.

Mr. Knowles: My friends opposite are doing their best to create the impression that Mr. Speaker came independently to the decision that he announced to the house on the morning of June 1, and we do not agree.

Mr. McIlraith: Do you suggest anything different?

An hon. Member: Withdraw.

Mr. Knowles: It is a known fact that the Minister of Finance went to Mr. Speaker's office after ten o'clock Thursday night.

Mr. McIlraith: It is a known fact that the hon. member for Kamloops went from his place up to the chair.

Mr. Fulton: I certainly did not go that night. On a question of privilege, in case that appears in *Hansard*, I most certainly deny that, because I did not go to the Speaker's chair that night.

Mr. McIlraith: I am not suggesting there was any impropriety in it.

Mr. Fulton: You are stating what you know to be incorrect, just as you have on other occasions. I submit the hon. member should withdraw those words because he knows them to be incorrect.

Mr. McIlraith: I believe them to be the fact.

Mr. Knowles: On this point I think I might read another sentence from the editorial in the Winnipeg *Free Press*, as follows:

> Whether the Speaker was right or wrong in his first decision is open to prolonged discussion, of little public interest. But it is perfectly plain that, by changing his mind overnight, so greatly to the government's advantage, the Speaker becomes exposed to opposition suspicion of having yielded to government pressure.

Mr. Pearson: Innuendo.

Mr. Rowe: That is not innuendo, that is a fact.

Mr. Knowles: There are certain facts which are known to the minister of external affairs and he cannot set those facts aside even if he were to act in the manner the Minister of Finance did here this afternoon. I move on. That action was not the action of the Mr. Speaker whom I have known for the past seven years.

In addition we have this business of submitting a proposition to the house by Mr. Speaker for a majority decision. That has been discussed at great length, so I need not argue about it in theoretical or abstract terms. I am going to read some standing orders to show just how wrong this was. Standing order 41 reads:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the house. Such notice shall be laid on the table before six o'clock p.m., and be printed in the *Votes and Proceedings* of that day.

That is a standing order which requires notices for certain kinds of motions and it permits certain exceptions, but what the Speaker put to the house was not one of those exceptions. What the Speaker put to the house might be regarded as coming under standing order 42, which reads:

> A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent of the house without notice having been given under standing order 41.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but I am obliged to tell him that his time has expired.

Mr. Knowles: I am sorry, too.

Mr. Fulton: Mr. Speaker, I rise on a question of privilege. I waited until the hon. member for Winnipeg North Centre had finished his speech because in accordance with certain recent directions I felt that was the proper way to do it. I ask you to direct that certain words of the hon. member for Ottawa West be stricken from the record, because they are not in accordance with the facts. If they are allowed to remain there they may create a wrong impression.

When the hon. member for Winnipeg North Centre was referring to the fact that it was within the knowledge of members that the Minister of Finance had been to see the Speaker on Thursday night, the hon. member for Ottawa West put on the record words to the effect that I had been to see the Speaker.

Mr. McIlraith: That you had gone up to the chair.

Mr. Fulton: Mr. Speaker, the hon. member knows that is not correct. During that period when feelings were so tense I made it a point not to go to the chairman or the Speaker for the very reason that I did not feel it was correct for hon. members, and particularly for ministers, to be doing that at such a time. If I am going to criticize ministers for doing it I am not going to do it myself. I did not go to the chair or the Speaker during that period; therefore I wish to have those words removed from the record because they were put on there by the hon. member for Ottawa West to create an impression which the hon. member knows to be false.

Mr. McIlraith: If the hon. member states that what I said is not in accordance with the facts and that he did not go to the

Speaker, then of course I completely accept his explanation and am prepared to withdraw my remarks. As to the latter part of the hon. member's remarks, of course hon. members well realize their propriety. That is another matter, but I shall withdraw my remarks.

Mr. Fulton: I am grateful for the hon. member saying that he will withdraw; therefore if there was any impropriety in my other remarks I withdraw them outright. But I would ask that the remarks of the hon. member at that point be stricken from the record because if they were left there they would leave a false impression.

Mr. Deputy Speaker: I recall another occasion when there was difficulty about striking matters from the record. I do not feel that it is within my power to order this whole matter stricken from the record. The hon. member has raised his question of privilege and the hon. member for Ottawa West has withdrawn. In turn, the hon. member for Kamloops withdraws on his part, and I think the incident should be considered at an end. The hon. member for Digby-Annapolis-Kings.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, as every other speaker who has taken part in this debate has said, it is an unpleasant experience which we are undergoing. It certainly is one in which no one participates with any degree of pleasure or satisfaction because I can say, as was said by the last speaker and by every other hon. gentleman, I think, who has taken part in this debate, that I have had the highest regard for Mr. Speaker and the other occupants of the chair coming under that title, and also a personal regard and a warm friendship as well. Therefore it is particularly unfortunate that we are faced, as we believe, with the necessity and the responsibility for proceeding with this matter at this time.

It perhaps would be a relatively easy thing to sit in one's seat and not take part in the debate, but because I feel strongly on this matter, because I feel that hon. members have a duty which has to be performed in this connection, I do not think any one of us should remain seated and hide behind someone else who is undertaking this responsibility and performing this task at this time. So, much as I regret it personally, I feel that I have a responsibility here as a member of parliament, as a member of the opposition, and I am exercising it tonight, though I certainly agree with many of the things which have been said by the hon. member for Winnipeg North Centre about His Honour the Speaker, and the personal relationships which have existed heretofore between us.

There is another reason why I rise to take part in this debate. I must say that I was somewhat shocked by the statement of the Prime Minister when he spoke in connection with this motion on Monday, June 4. The right hon. gentleman, after referring to the motion and quoting from an editorial, went on to say this about our action, as found at page 4654 of *Hansard*:

> Not because of the qualities of the Speaker or the chairman but because of the fact that there is a contentious measure that is being opposed by all means that can be devised under the rules of the house to bring about delay and to waste time.

Again on page 4657 the Prime Minister said in a tone, I say with respect, of deepest sarcasm:

> This situation will appear to many, in spite of the elevated tone of the addresses made in the house this afternoon by the Leader of the Opposition and by the leader of the C.C.F. party, as being one more attempt to prevent the majority in parliament from reaching a point where it would be entitled to vote upon the propriety or otherwise of this controversial measure.

I say, Mr. Speaker, that I for one resent the imputations which are contained in these two statements of the Prime Minister, and I regret that the Prime Minister has shown so little appreciation of the sense of this house and the sincerity of the feelings which have been aroused by the matters which have gone on during the past week that he would suggest that we would move this motion simply for the purpose of bringing about delay. All the irritations, all the frustrations which have occurred during the preceding weeks undoubtedly contributed to an unhealthy atmosphere, undoubtedly caused irritations on our side of the house as well, but those irritations in themselves would never have prompted this motion had it not been for the matters to which the hon. member for Winnipeg North Centre referred a few minutes ago.

It was when we finally came to what I am afraid will go down in parliamentary history as black Friday that we were confronted with a situation where we felt that there was nothing else that could be done. When you see, Mr. Speaker, as you and others undoubtedly did, and as hon. members have indicated, reasonable men, experienced parliamentarians, some of whom have been here for almost a quarter of a century, so angered, so aroused that they had to use means which had never been used before in the Canadian parliament, you can judge to some extent of the intensity of the feelings of the members and the sincerity of the

feelings of the members of the opposition and of the Leader of the Opposition when he gave notice of this motion.

To suggest that we would impute, charge and indict an officer for whom so many have had the warmest personal feelings, one who personified within himself all the respect which is due the Chair; to suggest we would do that for partisan purposes is an implication which I resent, and that is one reason I am speaking on this motion tonight. Certainly, sir, if notice of this motion had been given for any of these purposes or there had been any suggestion of them I certainly would not be speaking at this time.

Then there is another reason why we are perhaps all the more interested in this now than we would have been heretofore. That is because of some of the academic discussions which have also arisen, and the suggestions as to the rights of the majority and of the minorities. No one questions the fact that a majority represented by the government has the responsibility for initiating legislation and seeing that it is properly debated in parliament, because parliament is the forum wherein that debate takes place, where public opinion is formulated, crystallized and so on and so forth.

But although one can appreciate the general philosophy, the general principle, that a majority cannot be continually obstructed or blocked by a minority, that proposition made in general certainly has no application whatsoever in the situation which developed here. If one wants authority for that one could refer, for instance, to an editorial in the Winnipeg *Free Press* which deals with this question of discussion of the rights of a majority and the rights of a minority. This is what the Winnipeg *Free Press* says:

> The government has struggled for years with the pipe line problem. Mr. Howe has made decisions, found that they did not work, and made new decisions . . . Eventually out of all this confusion, there comes a bill. And Mr. Howe says, in effect: "Right, we've decided what's best for the country; time is short; whisk it through."
>
> There is here something dangerously near the idea that the government's thinking is enough, and that parliament's argument in public, as the focus for popular thought and discussion, does not matter.

If one wants a further illustration of the working of democracy and the function of debate, I would recommend that the Secretary of State for External Affairs see that his book is properly distributed to the members on his own side of the house. One could take his book, "Democracy in World Politics" and occupy a lot of time tonight putting most interesting quotations on the record as to the functions of debate in parliament, the rights of an opposition to debate; how it eliminates the dark corners, helps to crystallize public opinion and even reaches over the shoulders of a majority. I see the minister has the book in his hand. I am sure he would be glad to have many copies of it sold, and I hope that tonight he will perhaps reread it and then read the speech he made the other night and try to reconcile what he said in the book with what he said in the House of Commons as to the functions of an opposition and a majority in this parliament.

Dealing with this matter, I should like to call the attention of that distinguished former president of the Canadian Bar Association, the Prime Minister, to a statement of principle laid down by the Canadian Bar Association a few years ago, when they said:

> Under democratic institutions, the people accept to be governed by majority decisions, but on condition that the laws should be discussed in the open, traversed by the criticisms of the opposition and be the result of a free and enlightened decision of parliament.

I wonder how much discussion there is when the motion is that further consideration be postponed? How much discussion is there when the Leader of the Opposition, rising time after time to speak on a matter, is refused recognition by the occupant of the chair at that time, in violation of all the ancient usages and principles of this house and of other parliamentary houses?

Never before was such a spectacle seen. On four different occasions the Leader of the Opposition stood in his place, as he had a right to do, and with respect, and the Chair should have recognized him. But each time the Chair refused to recognize him. Despite all this—I say despite these irritations, despite these frustrations, despite the intensity of feeling which was engendered—this motion would not have been made had it not been for what happened on that Friday morning.

I am not going to deal with that matter in detail. The hon. member for Winnipeg North Centre has outlined it substantially in so far as precedents and citations are concerned. May I just go back before that for a moment. If we accept this matter to which I referred a moment ago, namely the fact of the relative importance of the position of the majority in comparison with that of the minority, I suggest we are going back to the principles which prevailed 500 years ago when parliament consisted of the king's men, with the pocket boroughs and all the rest, and when the executive were in the king's pocket. It was against that arbitrary rule that we finally developed through the centuries these principles which were incorporated in this book to which the hon. member for Winnipeg North Centre referred a while

ago. I refer to our standing orders, our rules and all the citations which preceded them. That was what evolved through the centuries.

Where are we now? As has been pointed out, because of what happened on Friday morning, in a very few minutes all of this which had happened before was scrapped and apparently thrown out the window. The Leader of the Opposition, on rising to continue a speech he had started the night before in a debate which had been adjourned in the regular way, was knocked down almost as quickly as if he had been pole-axed. He was stopped dead and ordered to sit down. He was given no opportunity to speak; he was given no opportunity to continue the debate. He was refused that right. He was even refused the right to raise a point of order and he was told by Mr. Speaker, "You have your remedy; you can appeal".

We listened to the Minister of Finance this afternoon in a long, technical, legalistic argument which I am afraid did not go too far toward defence of the Chair, Mr. Speaker, but which perhaps at least put the Minister of Finance on record as having intervened in some way in this matter by a speech. What did the Minister of Finance say this afternoon? What was the whole motive and theme of his statement? It was that these appeals from the Speaker's rulings are always political, and everyone knows they are political. He said it was unfortunate that was the case but that you had to have these political decisions; and he was almost suggesting and hoping that perhaps some day we would be able to obviate the necessity for appeals from Speakers' rulings; that is, purely political appeals.

Then I would refer you to the statement of Mr. Speaker on Friday morning, as recorded at page 4542 of *Hansard*, when refusing the Leader of the Opposition the right to speak. He went on to say this:

> . . . I propose not to make a ruling but to submit this position to the judgment of the house. If the house decides in favour of it, then we shall govern ourselves accordingly.

Then later on he said to the Leader of the Opposition, "You have your right; you can appeal to the house". What right was there? What justification was there, Mr. Speaker, for stopping that debate when it was stopped and for refusing to give the Leader of the Opposition even a chance to be heard?

Then later on we had that other unprecedented move that was made, this formulation of a proposition or submission to the house by the Speaker in which he attempted to reverse himself and take us back 24 hours into the previous day instead of having the debate carried on in the way in which it should have been carried on. At page 4552 of *Hansard* I notice that it is put in the form of a motion: "Those who are in favour of this motion, will please say yea". Who made the motion, Mr. Speaker? Certainly not Mr. Speaker. Certainly no one on the government side of the house.

The Minister of Citizenship and Immigration was very vociferous tonight in his defence of Mr. Speaker by interjection; but I did not notice any of them rising at any time when these discussions were on to help Mr. Speaker. I did not notice any of them answering points of order. As someone has said, Mr. Speaker had to carry the whole load himself. They sat back and allowed him to do it, or at least they did not help Mr. Speaker in any way.

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

Mr. Nowlan: Surely.

Mr. Pickersgill: The hon. member will admit that on the previous Thursday evening the Minister of Finance raised a point of order about the alleged point of order of the hon. member for Winnipeg South Centre as soon as the hon. member for Winnipeg South Centre sat down before six o'clock, and the minister raised the same point of order in an interruption of the Leader of the Opposition shortly before ten o'clock and in neither case—although the hon. member for Winnipeg North Centre virtually admitted his point of order was valid—did he get a ruling.

Mr. Nowlan: Mr. Speaker, I have no objection to my hon. friend asking a question, but as I said a moment ago he has been very reluctant to get into this debate so far. I certainly do not want him to be deprived of that privilege, but I do not want him to make a speech in the middle of mine. Later on he will have an opportunity to speak if he desires to take advantage of it.

I was referring a moment ago to the fact that at page 4552 you have the usual phrasing or phraseology but it is most unusual having regard to the background: "Those who are in favour of this motion will please say yea". No motion had been made whatsoever. So we had that situation, namely that in one short morning Mr. Speaker had reversed himself with regard to what he had done the night before; he had refused debate; he made a submission from the Chair which, with deference, I suggest was unwarranted and submitted it; and then he set the clock back 24 hours.

I think it can be summed up in one way, Mr. Speaker. For some reason Mr. Speaker acted as a wrecking crew to get back on the

rails the government locomotive which had been so effectively derailed the night before, and without his intervention it never could have been put back on the rails. That is what happened. It was then, and only then, that we saw in the house the scenes which took place and to which reference has been made in the press time and time again. It was after that had occurred that the Leader of the Opposition gave notice of this motion, which the Prime Minister said was made for the purpose of delaying debate. I say that it was not made for that reason in any way shape or form.

Much has been said about intervention. I listened very carefully to the Minister of Finance who spoke this afternoon. As I said, he gave a refined, legalistic argument about the rules of the House of Commons. I noticed that there were some things with which he did not deal. I know that my hon. friend the Secretary of State for External Affairs must have read with a great deal of interest the comments which have appeared in the press lately, and particularly the editorial comments of a gentleman named Mr. Norman Smith who is a liberal certainly with a small "l" if not with a capital "L". He is one who sat here and observed these proceedings. He is well known to some hon. gentlemen opposite and is a personal friend of many. Certainly he could never be accused of making any political capital for the Conservative party. But as a disinterested observer, as a man who has travelled the world over and seen some of the scenes of disorder, some of the dissolutions of parliaments to which the Secretary of State for External Affairs referred the other evening, and who has travelled with him, what does he say about the events of Friday morning. He says the Liberal party tore up the rule book, and not only tore up the rule book but part of his national pride in citizenship. Moreover, they went about their tasks with a gladsome thumping of desks. Certainly, Mr. Speaker is not responsible for the thumping of desks, but that epitomizes the situation just about as succinctly, just as about as fairly as anything that could be said.

There are many things that could be read from these articles which would be very unkind. I do not want to put them on the record. Mr. Smith goes out of his way to say, and it is certainly true, that these gentlemen are not fascists; they are not communists. He said they are just ignorant, and ignorance was the kindest thing that could be said about them. I think probably that is about as fair an observation as could be made. In his column Mr. Smith also goes on to say—it is unfortunate the Minister of Finance did not deal with this point this afternoon—that there were notes passing back and forth between the government leader and Mr. Speaker. Sometimes other cabinet ministers were used as office boys. Finally, when the notes were intercepted, the house leader became more astute and went out into the lobby to pick up the notes carried back and forth.

Those are the facts as set forth by Mr. Norman Smith. I was hoping that this afternoon the Minister of Finance would give some explanation or stand up, as the hon. member for Kamloops did a while ago, and deny them very pointedly. No; we heard long appeals about fairness in a political situation such as this, but certainly nothing which went to any of these matters that have been referred to in the local newspapers printed here in Ottawa and which have certainly come to the attention of all who were involved in the situation. Certainly, I thought they would have been dealt with this afternoon.

Mr. Pickersgill: Could I ask the hon. gentleman another question?

Mr. Nowlan: No; make your speech afterwards. You will have plenty of time. At least, Mr. Speaker, in fairness to the chair these things should be dealt with; they should be explained. At least this could be said for King James when he came into the House of Commons; he took control of the chair and threw the Speaker out of it. He did not skulk behind the chair, and that is more than a suggestion of what has gone on around this place.

An hon. Member: What king did you say?

Mr. Nowlan: King James; but you have a better knowledge of history than I and perhaps it was Charles, at any rate one of the Stuarts. It was three hundred years ago. I can understand why the minister would be a better authority than I am because the government is repeating the same procedure that was carried on in those days. He probably made a study of the technique that was used, but I say at least the Stuarts took over the chair. I have even heard the remark that once in this house when the chairman was refusing to "see" an hon. member, some hon. member was so exasperated he may have gone up and twisted the chairman's head around and said, "Now can you see him?" But at any rate neither he nor the Stuart king skulked behind the chair.

At any rate, there were those events of black Friday for which there has been no explanation. We all know that Mr. Speaker was under tremendous difficulty. We know he was tired. We know he had been sitting in that chair under a terriffic strain. We recognize all those things, and the same would apply of course to his assistants, the deputy

and the deputy chairman. However, that does not explain what happened; that cannot explain this reversal which took place on Friday morning.

The hon. member for Winnipeg North Centre and the Minister of Finance talk about his great qualities, his experience, his personality, none of which is denied. This makes it all the more difficult to understand why he acted the way he did on Friday morning. A less experienced man, one who had made many mistakes before, one who was not conversant with the rules, one who was not a thorough gentleman, could have been expected to crack up under the pressure of some of the things which were done. It is because of that complete reversal, because of this background that suggestions, call them innuendoes if you like, have been made deliberately in the press as to what has gone on; and yet no explanation has been given.

It is a good thing, Mr. Speaker, to have this motion before us. We regret the necessity for it, but it was time it was dealt with. It had to be dealt with. Parliament could not continue, and how it is going to continue I do not know. A while ago the Minister of Finance said he hoped that after this was disposed of personal friendships could be restored. I hope so too. Personal friendships are something which we all value. One of the great traditions of our parliamentary system is that we do not allow the acrimony of debate on public matters to interfere with personal relationships and personal friendships. But personal friendships be as they may, the fact remains that parliament cannot carry on unless there is implicit confidence in the Chair, its impartiality and its independence of the executive. This confidence has gone. I say with all the seriousness which I can command, Mr. Speaker, that confidence cannot be restored in this parliament. There is only one way.

Someone suggested a while ago, and I thought it was another innuendo, that perhaps we were bringing this on to force an election. We are certainly not bringing this on to force an election. There are other ways if we wanted to do that which could perhaps be explored. I do say that although this certainly was not brought on with any such intention, the root problem will not be solved until after an election, until after a new government and a new house have come back and new officials have been elected. Then perhaps we can start to rebuild and repair the damage which was done during the last few days.

As has been said by so many others more effectively than I can say it, it is not a matter of the ruling on Friday; it is not the special damage which may have been done to one party or the assistance which may have been given to another, serious as those things may be, but the fact that these are part of the precedents of the House of Commons. They have become part of the fabric and will become interwoven into our parliamentary procedure.

They cannot be allowed to exist in that way, Mr. Speaker. Something will have to be done under a new parliament to eradicate these things and restore the prestige of the Chair. It is for that reason we feel as strongly as we do, and why I am speaking on this motion tonight. It is parliament, the institution which we have revered, which we respect and which the thousands of people who were lining up trying to get into the galleries revered and respected as well. It is indeed woven into the warp and woof of our being, and damage has been done to it—I was going to say almost irreparable damage. It is irreparable under the existing circumstances. I think it can be rectified in time, but it is a matter which must be dealt with by this house.

A partisan vote may be necessary. I quite appreciate, as the hon. member for Vancouver-Kingsway said this afternoon, that may be the result. I have no illusions, either, as to the result of this vote, but it will be recorded in *Hansard* that the opposition has stood up and protected what it sincerely believed to be the rights of parliament. The opposition has gone further than any one individual would have gone to preserve those rights, and that will probably be the most healthy precedent of all which will come out of this turmoil and trouble of the past few weeks.

Mr. Harris: I rise on a question of personal privilege. I was engaged with my officials on some matters which may come before the house later, and I was absent when the hon. member for Digby-Annapolis-Kings was speaking. I understand he made some reference to a newspaper article that had to do with the passing of notes, and inquired as to why I had not already mentioned the matter.

Mr. Nowlan: I said I expected you would have dealt with the matter this afternoon.

Mr. Harris: I did not because up to that time no one had mentioned it or taken the responsibility of speaking on the point or making any assertion that there was any truth whatever in the statement. That is why I did not mention it this afternoon.

I wish to point out that the hon. member for Rosetown-Biggar did rise on a point of

personal privilege with respect to this other article the other day. That was because he was quoted in the article. Nothing in this article quotes me, but I shall read it for the benefit of hon. members and make an explanation.

Mr. Nowlan: Just so there will not be any misunderstanding, the Minister of Finance is quoting from a different article. I quoted from Norman Smith.

Mr. Harris: I have not read Norman Smith's article.

Mr. Nowlan: That is the article I quoted from.

Mr. Harris: I have no doubt it applies to the same thing—

Mr. Drew: Mr. Speaker, while no one will question the right of the minister to rise on a question that relates to real privilege, he certainly cannot rise in regard to a quotation from one editorial and then start to read another. If he has any comment to make about the one that was read, that certainly could be a question of privilege; but most certainly there can be no question of privilege relating to that which would make it permissible to read some other editorial.

Mr. Harris: Mr. Speaker, my understanding is that the editorial complained of makes reference to my exchange of—

The Acting Speaker (Mr. Applewhaite): Order. Just before the Minister of Finance continues, in order to know where we are at this particular point of privilege, I think we have had to state several times in the last few weeks that where a member wished to contest a reference to himself made during a speech, he had the right to do that as a matter of personal explanation following the speech. I think that is admitted. Should this turn out to be a different question of privilege from the one arising out of the speech of the hon. member for Digby-Annapolis-Kings, then of course it would be brought up on the orders of the day. I would gather from what has been said that it does refer to the same incident; therefore I think, under our recently established practice of personal explanation at the end of a speech, that this is the time for the Minister of Finance to do it.

Mr. Harris: Mr. Speaker, my understanding is—I regret that I cannot express it perhaps correctly because I did not hear what the hon. member for Digby-Annapolis-Kings actually said—that there is a statement that I exchanged notes with the chairman, and there is a reference to an occasion when I spoke to my colleague the Minister of National Revenue.

Let me speak about that for one moment. I noticed that Mr. Speaker appeared to be, shall I say, distraught or ill at ease. I spoke to my medical colleague and suggested to him it might be desirable to find out whether Mr. Speaker needed any medical attention. That was all I did that day with respect to my colleague, and whether or not he sent anything to Mr. Speaker under those circumstances I do not know.

With respect to the chairman of the committee, let me point out that I spoke to the chairman of the committee after I had been informed by those who inquired how or under what circumstances this report could have arisen, and I was informed by him that it is his courtesy to notify whips of parties that they have a speaker coming up in a few moments, or something of that nature; that it had been done all during that day and that the reporter must have seen this happen, and that the thing being sent by the chairman of the committee was one of those notes. I received no note whatever from the chairman, nor did I send any to him. Nothing that is in the newspaper I read has any basis of fact in so far as my making communication of that kind is concerned.

Mr. McCann: Mr. Chairman, on a further question of privilege, I want to corroborate what the Minister of Finance has said. I ordered the cheapest prescription in the world, a glass of water. I think it was Christ who said, "a glass of water in my name shall not go unrewarded."

Mr. Diefenbaker: Oh.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Mr. Colin Cameron (Nanaimo): Mr. Speaker, let me trace the history of the motion that has been under discussion tonight in order to put the record straight in some aspects of the distortions that have been made of the proceedings. You will recall, sir, that when I rose on a question of privilege I was instructed by Mr. Speaker that it would be necessary for me to follow a certain procedure if I wished to pursue the matter. He outlined that procedure to me and I followed it. It included the drafting of a motion, the finding of an hon. member to second it, and sending the motion to the Speaker in the chair.

There has been the suggestion here this evening that Mr. Speaker was in doubt at that time as to whether the motion was in order; that he had in fact almost decided

on the Thursday night that on Friday he would have to rule it out of order. I can well understand why my hon. friends in the cabinet should wish to convey that impression; but I suggest to you, sir, that it is a continuation of the cruel and callous treatment which that cabinet has meted out to the Speaker of this house. It is a determination that he shall be made the goat all the way down.

I am going to quote from page 4532 of *Hansard* to show that Mr. Speaker not only had no doubt that it was in order but so indicated to the house at that time, because he interrupted the Leader of the Opposition when he was speaking with these words:

> Order. I intervene at this moment to indicate to the Leader of the Opposition that in debating this matter one cannot go beyond what is considered privilege. In this article which I have just read it is my view that what may be called privilege in the letter written by Miss Marjorie Le Lacheur is the last paragraph:
>
> "It means nothing to them that debate in the house has long been a farce, with the cat-calls and jeers of the Liberals, and the systematic garroting of the opposition by Mr. Speaker . . ."
>
> These are the words:
>
> ". . . and the systematic garroting of the opposition by Mr. Speaker, making a mockery of this democracy for which so many of their fathers have died."
>
> The words that are privilege are "the systematic garroting of the opposition by Mr. Speaker". All the other words are not privilege.

Then the hon. member for Rosetown-Biggar raised the question at that point as to whether the narrowing of the points of privilege suggested by the Speaker was in fact correct and suggested that it was more or less an attack on the whole house. Following that, Mr. Speaker reiterated his position and in the paragraph the Minister of Finance did not read this afternoon Mr. Speaker said this:

> I am under the impression—and I am sure the hon. member upon reflection will agree with me—that, freedom of the press being what it is, freedom of expression outside this parliament and the right of criticising whatever takes place here being what it is, no one on a question of privilege should object to the first two paragraphs and, even in the third paragraph, no one should object to anything if there were not those few words, in which the Speaker is accused of a systematic garroting of the opposition. As far as the other paragraphs are concerned, I see no privilege at all in them.

Now, there is the clear statement of the Speaker of this house that he recognized that my motion was in order the night before, and any contention now on the part of members of the cabinet that he had already half made up his mind to rule it out of order is a gross distortion of Mr. Speaker's expressed views on the evening of Thursday, May 31. When he ruled it out of order on Friday, June 1, he did not actually rule on the question as to whether or not my motion was in order. I had brought a motion before the house. Mr. Speaker ruled not whether my motion was in order but whether the charges contained in the motion were sustainable. When he reversed his decision of the night before I was faced with the question as to what had induced him to do so, and I could think of only three alternatives.

The first was that my motion was actually out of order, that Mr. Speaker had been mistaken, that his knowledge and understanding of the rules of procedure had not been adequate to make a decision as to whether or not my motion was in order. After all that has been said on all sides of the house both this afternoon and on previous occasions when this matter has been discussed, no hon. member will seriously contend that the Speaker of this house is not competent to decide whether or not a motion is in order. We have had very lengthy eulogies concerning his vast fund of knowledge of parliamentary procedure. It has been stated that with the possible exception of one Speaker our present Speaker stands head and shoulders above the usual speakers of the Canadian House of Commons in possessing an exhaustive knowledge of the rules of procedure.

I think we have to throw that suggestion out. Mr. Speaker at that time knew this motion was in order; he was not just guessing, he knew it and he expressed to the house, as I have shown quite clearly, his reasons for thinking it was in order.

That brings me to my next possible alternative for his extraordinary action on the morning of Friday, June 1; and that is that Mr. Speaker maliciously and deliberately gave me wrong advice with the intention of ruling it out of order at a later date. That also is a proposition to which I cannot subscribe; it goes against all the past record of Mr. Speaker. Not only that, it cannot be sustained when one places it alongside Mr. Speaker's reactions not only on this occasion but on a previous occasion when I raised a similar question of privilege with regard to an editorial appearing in a Montreal newspaper. On both those occasions Mr. Speaker expressed himself as gravely concerned over the seriousness of these situations. In fact when the much publicized attempt of the Minister of Finance to raise a point of order on this particular motion was brought to the attention of the house Mr. Speaker had this to say:

> The matter raised by the hon. member for Nanaimo (Mr. Cameron) is one of privilege and is one that is very serious. I had not seen the letter entitled "They Will Pay" but I had read the letter written by Mr. Eugene Forsey, in which he discusses instances in which I was myself involved. It would seem to me, however, that in a matter of this kind the thing to do, after

having placed ourselves in a position where we can deal with the matter, especially since I am concerned, is to postpone the consideration of that motion.

Now it is true he suggested postponement of it, but he also referred to our having placed ourselves in a position where we could do something about it. The reference very clearly is to a motion which he considered to be in order. No, sir; I cannot believe that the Speaker deliberately and maliciously gave me faulty advice in order later to be able to rule the motion out of order. It was a matter he took too seriously to play ducks and drakes with on any cynical basis of that sort.

Now, we have to seek for some other reason. The only reason that comes to my mind, Mr. Speaker, is that in those fateful hours between 10 o'clock on the night of May 31 and 11 o'clock on the morning of June 1 the Speaker of this house must have been subjected to persuasion, to pressure, to evil counsel of some sort to persuade him to declare out of order a motion which he himself had accepted, had helped to draft, and which he had indicated was definitely in order.

It is not possible, of course, Mr. Speaker, for us to know who can have given that advice; but that such advice must have been given is I think incontrovertible. And while we cannot know who gave that advice we do know of people in a position to give that advice, and we do know of people to whom the implementation of such advice would have been of great advantage.

Mr. Pearson: That is the way Senator McCarthy talks.

Mr. Cameron (Nanaimo): I am not coming to McCarthy at all; I am coming to a few other things. The Speaker of the Canadian House of Commons occupies a precarious position of eminence from which at the end of the life of parliament he has to step down. There are a number of positions of dignity and honour, positions in which he can hope to find further opportunities for public service. All those positions are within the power of the government of the day to grant or to withhold.

It has been suggested that Mr. Speaker proceeded to reverse a mistake he had made. I submit, sir, that if that is true with regard to other actions he took on that occasion, the action of listening to the point of order of the hon. member for Winnipeg South Centre, it is distinctly not the case with regard to this motion, because if you will recall he handled the two situations in an entirely different manner. His decision with regard to my motion was not included as a part of the mistake he sought to rectify by placing a proposition before this house. It is an entirely different action. He took the action of ruling it out of order. Somewhere, at some time, he was persuaded that his action of the night before in accepting and helping to draft my motion had been out of order. Somehow he was persuaded that the motion itself was out of order.

I find it difficult to believe, sir, that among his colleagues on the other side of the house the Speaker of the House of Commons found someone more versed in the procedure of this chamber than himself, in the light of the fact that with the rather doubtful exception of the Minister of Finance no member of the cabinet has risen through all this time to oppose the points of order raised from the opposition. This would lead me and I think anyone else to the conclusion that there is not anyone on the other side of the house now capable of disputing the points of order raised from this side.

I see that the Minister of Finance laughs. If by his laughter he means that he or others are so capable, then I say it was a contemptible thing for the government of the day to allow the Speaker of this house to deal by himself with the points of order that were raised continually from this side of the house, to place him in the impossible position not of being the judge as between two opposing sides but having to take up the arguments presented by one side. I am still of the opinion, sir, that there is not anyone on that side of the house sufficiently versed in procedure to be able to give valid and honest advice to the Speaker of this house to cause him to reverse a considered decision that he had made.

I have been puzzled, as have many other hon. members of this house, by the strange procedural activities of this government during the whole presentation of the pipe-lines bill to the house. I have wondered why they apparently took great thought to select the most difficult ways in which to get this measure through. The first sample, of course, was when quite out of order they placed a second resolution on the order paper while one dealing with the same subject was already there. That was a totally unnecessary proceeding. I recall that at that time the government received advice from my hon. friend the hon. member for Winnipeg North Centre as to how they could emerge from the difficulty they had themselves created.

I suggest to you that we have to look further for a solution to this strange problem, and it is a strange problem, a strange problem of a government so inept that it is unable to get its measures through the House

of Commons within the accepted rules of this house. I would suggest to you that perhaps an explanation can be found in the constitution of the present administration. I think it is no accident that the government that has involved itself in a most fantastic tangle of procedure, that has been driven in the course of that tangle to utterly destroy the most notable Speaker this house has seen for decades. It is not an accident that many of the members of that administration have stepped right into cabinet positions without any experience in parliamentary life.

I would suggest to you that this has been the root cause of the trouble through which we have been going the last few years, and the last few days in particular. When one looks at the front treasury benches he finds that with two exceptions no minister has sat on the floor of this house as a private member, and no minister at all has sat on the floor of this house as a member in opposition. This creates a very grave situation for parliament. I am not attempting to deny that eminent university presidents, distinguished corporation lawyers and higher civil servants are men of great ability. They are possibly of greater ability than other men who could be found within the membership of the Liberal party; but their abilities were not the abilities of parliamentarians because there is only one place in which a man can qualify for this difficult business of parliamentary life, and that is in the ranks of parliament itself.

I would suggest that this growing habit on the part of this administration of bringing in from outside the ranks of parliament cabinet ministers without parliamentary experience is destroying the very roots of parliament. This institution has several functions to perform. It is not merely an institution for the passing of legislation by the existing government, it is the developing ground for competent parliamentary leadership.

When we have a party—and I address this to the rank and file of the Liberal party—which has acquiesced in this practice, it has been acquiescing in the degradation of parliament because these men, eminent as they are, lack one thing. They are men who have not, like the Minister of Finance and like the Minister of National Health and Welfare, been prepared in their earlier years to take the grave risks involved in embarking upon a political career. On the other hand, they have sought their eminence in other fields and later come to crown it with political eminence. That is a most dangerous precedent and practice for parliament to follow, when parliament should be composed of ordinary men and women representing ordinary men and women throughout the nation.

[Mr. Cameron (Nanaimo).]

From the ranks of the membership must come those men who have developed their capacities and their abilities to use the procedures and rules of parliament in order to effect their policies. I can understand that the minister of external affairs may perhaps feel badly about my comments, but I want to say to him that the very qualities which made him a valuable servant of the people in the civil service are not qualities that make him valuable in the House of Commons when it comes to dealing with difficult parliamentary situations. He never had to face them during his earlier career.

It will not be until we get back to the original purposes of parliament, to the original proceedings and traditions of parliament, that we shall avoid the sort of tragic mess into which we got last week. I think it is a damning indictment of a government with an overwhelming majority that it should have been unable to devise means of using the regular procedures of this house to effect the passage of their legislation. It is an admission of total ineptitude and failure as leaders of the Canadian parliament that they had to take recourse to breaches of the rules which have led to this unhappy debate during these last two days. It is particularly tragic that a man who had earned not only the respect of this parliament but the respect of the nation should have been made the victim of the ineptitude of this government, and ineptitude it was, as I think every member of it now recognizes in his secret heart.

I would suggest that there is no solution to be found in the mere passing or rejection of the motion before us. As the Minister of Finance has said, when it comes to a vote the matter will be decided on party lines and the vote will mean nothing. A vote will not in any way obliterate the sad fact that a large minority in this house has had its confidence in the impartiality of the Chair destroyed by the ineptitude and folly of the present administration.

I notice that some members of the cabinet are so little seized of the seriousness of the crime they have committed as to smile smugly about this situation. It is nothing to smile about, it is something that has to be cleared up. I am not making any empty suggestion when I suggest to the Prime Minister that he has something to retrieve. I am not alone in my view that he has failed sadly this parliament and this country in these last strenuous and trying days.

I imagine he has read the newspapers. I imagine he realizes that the people of Canada are disappointed that they had hoped he could master the art of using parliamentary procedures, that they hoped he could retain

control of the democratic processes of this country. I suggest to him that, having failed to do so, there is only one course open to him, the course of appealing to the people and allowing them to judge. I say this in no boastful way at all. I am not at all sure that I would come back here after another election; far from it. I think it is quite possible that I might be left at home, but I would rather be left at home than continue in the unhappy situation in which we are today.

Despite the words that have been said on this side of the house in, I think, all sincerity that this situation is not going to be allowed to interfere with the personal friendships that have been developed here, I am afraid that is a too optimistic point of view and that it is going to take a long time for the resentments, the rancours and the disillusionments that have been created over the last week or so to finally disappear. The first and essential step for clearing the air is that the twenty-second parliament of Canada should come to an end at the earliest possible moment.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure that whatever may have happened in the house during the past few days we will all agree that the discussion of this particular motion has been approached by every hon. member almost throughout in a spirit at least of seemingly objective manner. I paid particular attention to the speech delivered tonight by the hon. member for Winnipeg North Centre. I followed with interest the speech just delivered by the hon. member for Nanaimo and the speech of the hon. member for Digby-Annapolis-Kings, but I paid special attention to the speech of the hon. member for Winnipeg North Centre.

He began his remarks by saying that this discussion of the motion before the house caused him to have a heavy heart. I am sure he used a phrase that most hon. gentlemen could, with justification repeat. He reminded us that there was no friendship in this house that he cherished as much as his friendship with Mr. Speaker. He told us that there was never a Speaker in this house whose industry was as great, that there never was a Speaker with knowledge of our procedures and the procedures of free parliaments over the course of the centuries as great, as precise and as mature.

Then he said that he hoped that his friendship with the Speaker would be maintained and would continue. Only a man who was lacking in the elements of civility would deny that that was a legitimate hope. I too hope that the friendship which the hon. member for Winnipeg North Centre had with Mr. Speaker will be maintained, for I suppose that no one in the whole time I have been a member of the House of Commons, now almost 21 years, has enjoyed in his relations in this house as great a measure of cordial relationship with the presiding officer as the member for Winnipeg North Centre. On many occasions his enthusiasm with respect to his interest in the rules of the house would cause him, not improperly, after the Speaker's ruling had been made, to go to the Speaker's chair and presumably in a spirit of academic interest, which is understandable, discuss with Mr. Speaker the wisdom or lack of wisdom in a particular decision. The hon. gentleman himself and only he has the control over whether or not the friendship of which he has spoken tonight shall be maintained.

The hon. member went on then and said, and I use his words, that no one will deny that Mr. Speaker has done a good job. Then he raised his voice and said with emotion: "No one ever in my time in this house has done a better job." Then he went on and pointed out that he had corrected the Minister of Finance, that there had only been two appeals from Mr. Speaker's rulings and that on one occasion the party which the hon. member for Winnipeg North Centre supports had, if I understood him correctly, refused to join in voting against the Speaker's ruling. Then my hon. friend concluded, "No wonder I say that Mr. Speaker has had in this house a remarkable performance."

I calculated by the clock the time that my hon. friend spent on Mr. Speaker's admirable qualities. In over two-thirds of the time he spoke the hon. member for Winnipeg North Centre said more things by way of confirmation of the validity of the performance of the Speaker than any other member, and we can only conclude from what he has said that the hon. member for Winnipeg North Centre, up until a very few days ago, was firmly of the view that within his experience this house has had no better Speaker.

On motion of Mr. Martin the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

DIABETES STATISTICS

Question No. 495—**Mr. Hamilton (Notre Dame de Grace):**

1. By provinces, how many sufferers from diabetes are there in Canada?
2. How many of these are hospitalized?
3. Is the government currently engaged in any activities designed directly to assist Canadian diabetics?
4. If so, of what nature?
5. Are any further measures to assist Canadian diabetics currently under consideration?
6. If so, of what nature?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1. There is no accurate gauge of the number of diabetics in Canada. According to preliminary estimates based on Canada's sickness survey, population basis 13,000,000, there are about 40,000 known diabetics; however, medical experience has shown that for every reported case, there are about three unreported cases.

2. There are approximately 8,500 hospital admissions per year in Canada of patients requiring treatment for diabetes.

3. Yes.

4. Federal assistance totalling more than $65,000 has been provided under the national health program to support research and surveys on the detection of diabetes. Research in diabetic problems is being supported at present at the University of Western Ontario and at Queen's University.

The Food and Drugs Act provides that all insulin preparations must meet the standards set forth in the food and drug regulations. In addition, the conditions under which these preparations are manufactured are constantly reviewed by the food and drug inspectors. The regulations also provide for specific labelling requirements to prevent confusion regarding the potency and the use of each preparation.

The advertisement to the general public of any preparation for the prevention or treatment of diabetes is prohibited by the act, thus preventing the exposure of diabetics to useless or harmful preparations.

The food and drug regulations also require informative labelling of special food products sold for persons on sugar-restricted diets.

5 and 6. The Department of National Health and Welfare will continue to give the most careful consideration to any projects designed to assist Canadian diabetics when submitted by the provinces under the national health program.

URBAN AIR POLLUTION

Question No. 520—**Mr. Richardson:**

Is the Department of National Health and Welfare taking any part in the solution of the urban air pollution problem?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1. Yes. The Department of National Health and Welfare has assisted the international joint commission for several years in the investigation of the problem of air pollution in the Windsor-Detroit area in accordance with the terms of the reference of January, 1949, between Canada and the United States. A two-year epidemiological study of sickness experience of selected groups of the population in high and low pollution areas of Windsor, and in small country towns of southern Ontario, was carried out from 1953 to 1955. Other aspects of this investigation of the urban air pollution problem have dealt with the nature and concentration of contaminants in the environment, the influence of meteorological factors, the problem of smoke emission from great lakes vessel traffic on the Detroit river and its control, and the effects on vegetation. A final report on the above reference is being prepared this year.

Since January 1, 1956, this department has also undertaken certain responsibilities in this field with the appointment of a consultant, atmospheric pollution services, who is also the chairman of the Canadian section of a technical advisory board to the international joint commission. Requests for advisory services from the provinces and other governmental agencies have been coming forward on an increasing scale. The following is an outline of these activities:

(a) The pollution of the air from oil refinery operations involving the emission of toxic substances such as hydrogen sulphide, mercaptans, phenols, and other odoriferous compounds.

(b) The control of emissions of fluorides, oxides of nitrogen and sulphur dioxide from contemplated operations of a new phosphate fertilizer and nitrochemical plant.

(c) The analysis and control of diesel exhaust gas fumes from engine-operated equipment in underground and mining operations.

(d) At the request of the Board of Transport Commissioners for Canada a complete revision has been undertaken of regulations and orders dealing with

control of atmospheric pollution from railroad operations of companies subject to the legislative authority of the parliament of Canada.

The epidemiological and occupational health divisions of the Department of National Health and Welfare are collaborating in a study of atmospheric pollution levels and their possible effects on the health of aged hospital patients in the Ottawa area.

The laboratory services of the occupational health division are conducting laboratory research directed towards the study of the biological effects of various toxic gases and aerosols, including the effects of substances found in contaminated urban atmospheres. The laboratory services have also studied for several years the problem of atmospheric pollution from gold refining operations in the Yellowknife area.

Consideration is being given to the possibility of the establishment of a national network of sampling stations for the measurement of atmospheric contamination levels in urban areas of Canada in co-operation with provincial departments of health, municipal air pollution control officials and certain federal departments.

APPENDIX

GATT—ANNOUNCEMENT OF RESULTS OF GENEVA CONFERENCE

The Department of External Affairs announced today details of the tariff agreements which were negotiated under the general agreement on tariffs and trade at the recently concluded conference in Geneva. The head of the Canadian delegation, Mr. L. D. Wilgress, signed on behalf of Canada on May 23 the protocol of supplementary concessions to the GATT in which are incorporated the complete schedules of all the tariff concessions negotiated at the conference. Details of the agreements were tabled in the House of Commons this morning.

The tariff conference, which opened in January, 1956, and was recently concluded at Geneva, constitutes the fourth general round of multilateral tariff negotiations under the general agreement on tariffs and trade, following similar GATT conferences held at Geneva in 1947, at Annecy in 1949 and at Torquay in 1951. Twenty-two countries participated in these latest negotiations, and the new agreements concluded among them are an extension of the agreements drawn up among GATT countries in the previous years. As in the past, the negotiations were carried on between pairs or groups of countries, on a selective product by product basis.

Canada negotiated new agreements with the United States and with 12 other countries in Europe and Latin America. Under the most favoured nation principle, which is basic to the GATT, all tariff concessions agreed to at Geneva will become available to Canada whether or not these concessions were negotiated directly with Canada. Similarly, Canada will automatically extend its own tariff concessions to each of the other participating countries, and to non-GATT countries with which Canada has most favoured nation agreements.

The complete schedules of all tariff concessions negotiated at this conference are being made public today. They are incorporated in a protocol of supplementary concessions to the GATT signed by representatives of participating countries at Geneva. Mr. L. D. Wilgress, Canadian ambassador to NATO, signed this protocol on behalf of Canada on May 23.

The new tariff concessions will come into effect in the various countries on dates to be announced by each government. It is not expected that any country will bring its concessions into effect until June 30 at the earliest. United States concessions will be implemented in three stages over the next two years, as required by United States legislation. Under the terms of the GATT, all the concessions agreed upon are bound against increase, subject to certain procedures permitting countries to renegotiate particular concessions from time to time.

The following review indicates the main concessions secured by Canada and the main concessions granted by Canada as a result of these negotiations. For further details, inquiries should be addressed to the international trade relations branch of the Department of Trade and Commerce with respect to the tariffs of other countries, and to the international economic relations division of the Department of Finance with respect to the Canadian tariff.

Concessions Obtained by Canada

The United States

The United States concluded agreements at this conference with Canada and all the other participating countries, and granted concessions over a wide range of goods. The agreement concluded between Canada and the United States was one of the major single agreements resulting from this conference.

The United States conducted these negotiations under the authority of its trade agreements legislation, which permits maximum reductions in the United States tariff of about 15 per cent of the rates of duty in force on January 1, 1955. Under United States legislation, these reductions must be implemented in three approximately equal steps of about 5 per cent of present rates, with an intervening period of 12 months between each stage. The first 5 per cent stage of United States duty reductions will be made effective on June 30, 1956. Within these limitations, Canada secured the maximum possible reductions in United States duties over a large number of products. Concessions were obtained on almost all the items of interest to Canada on which the United States was prepared to negotiate. The delay in the complete implementation of United States concessions was taken fully into account by both countries in arriving at a satisfactory balance of concessions.

The United States schedule of concessions resulting from this conference contains some 650 tariff items, of which approximately 150 are of interest to Canadian exporters, and represent imports into the United States from Canada totalling over $200 million in 1954. These concessions include items of interest to Canadian producers and manufacturers in various regions of Canada.

The United States list of concessions includes a variety of chemical products, such

as synthetic rubber, vinyl acetate, vanillin, barytes and a number of chemical compounds; a number of metals, including crude aluminum and its alloys, aluminum bars and sheets, steel ingots and billets, ferro-silicon; a few agricultural products, such as lettuce, turnips, hay, blueberries; some paper products, such as book and printing paper, wrapping paper and hanging paper; a number of more highly processed products, such as manufactures of aluminum, of iron and steel, of wood, and of glass, various types of machinery and electrical goods.

Details of the main items of interest to Canada, showing the present United States rates of duty and the final United States negotiated rates of duty which will be in force at the end of two years, are given below. A table showing the three stages of reduction for all items of interest to Canada is being published by the Department of Trade and Commerce.

Chemicals

Concessions were obtained on the following products:—Synthetic rubber, from 10 per cent to 8½ per cent; vinyl acetate, from 7½ per cent and 1½ cent lb. to 6¼ per cent and 1¼ cent lb.; acetic anhydride, from 1¾ cent lb. to 1½ cent lb.; acetone, from 10 per cent to 8½ per cent; vanillin, from 22½ per cent and 3½ cents lb. to 19 per cent and 3 cents lb.; methyl alcohol, from 18 cents gal. to 15·3 cents gal.; barytes ore, crude, from $3 ton to $2.55 ton; aluminum salts and compounds, not specially provided for (nspf), paints, chlorine and all chemical elements, salts and compounds, nspf, from 12½ per cent to 10½ per cent.

Metals and metal manufactures

In this field, reductions were obtained on a number of important items: Aluminum and alloys, in crude form, from 1½ cents lb. to 1¼ cents lb.; in sheets, bars, and specified shapes, from 3 cents lb. to 2½ cents lb.; steel ingot and billet, valued not over 5 cents per pound, from 10 per cent to 8½ per cent; wire and cable of aluminum, copper, and other base metal, from 17½ per cent to 15 per cent; forgings of iron or steel, from 12½ per cent to 10½ per cent; storage batteries and parts, except alkaline type, from 20 per cent to 17 per cent; aluminum table and household ware, from 20 per cent and 4¼ cents lb. to 17 per cent and 3½ cents lb.; electrotype plates, from 12½ per cent to 10½ per cent; electric therapeutic apparatus, from 17½ per cent to 15 per cent; electric motors, and electrical goods and devices, n.e.s. from 12½ per cent to 10½ per cent; parts for automobiles, from 12½ per cent to 10½ per cent; airplanes and parts, from 15 per cent to 12½ per cent; pleasure boats, sail, steam or motor propelled, under $15,000 each, from 7½ per cent to 6 per cent; pulp and paper machinery, from 10 per cent to 8½ per cent; mining machinery, sawmill and wood-working machinery, and all machinery, not specially provided for, from 13¾ per cent to 11½ per cent; articles of aluminum, and articles of iron or steel, not specially provided for, from 22½ per cent to 19 per cent. The statutory rate on copper, which is presently suspended, is reduced from 2 cents lb. to 1·7 cents lb.

Wood manufactures

In this group are concessions on: Paint brush handles, and broom and mop handles, from 10 per cent to 8½ per cent; canoes and paddles, from 10 per cent to 8½ per cent, furniture, from 12½ per cent to 10½ per cent; parts of furniture, from 20 per cent to 17 per cent; doors, from 16⅔ per cent to 15 per cent.

Agricultural and fisheries products

Concessions were secured on the following: Edible offal, from 1½ cents lb. to 1¼ cents lb., (6 per cent minimum); pickled or salted salmon, from 10 per cent to 8½ per cent; caviar and other fish roe (except sturgeon), from 5 cents lb. to 4 cents lb.; canned herring, not in oil, from 6¼ per cent to 5 per cent; biscuits and baked articles, from 10 per cent to 8½ per cent; frozen blueberries, from 8¾ per cent to 7½ per cent; berry jams and jellies, from 10 per cent to 8½ per cent; soy beans, certified seed, from 2 cents lb. to 1·7 cents lb.; sweet clover seed and bromegrass seed, from 1 cent lb. to 8/10 cent lb.; turnips from 6¼ cents 100 lbs. to 5 cents 100 lb.; lettuce, from 1 cent lb. to 0·85 cent lb.; cauliflower, from 12½ per cent to 11 per cent; hay, from $1.25 ton to $1.06 ton.

Papers

New concessions under this heading are: Uncoated book and printing paper, nspf, from 5 per cent and 1/5 cent lb. to 4 per cent and 0·17 cent lb.; surface coated paper, nspf, from 7½ per cent and 2½ cents lb. to 6½ per cent and 1¼ cent lb.; greaseproof and imitation parchment paper, from 7½ per cent and 1½ cents lb. to 6½ per cent and 1¼ cents lb.; hanging paper, from 5 per cent to 4 per cent; wrapping paper, sulphate, from 10 per cent to 8½ per cent.

Miscellaneous

Among the concessions under this heading are the following: Asbestos brake and clutch lining, from 10 per cent to 8½ per cent; abrasive coated paper and cloth, from 10 per cent to 8½ per cent; glove and garment leather, from 10 per cent to 8½ per cent; manufactures of leather, nspf, from 12½ per cent to 10½

per cent; boots and shoes, made by welt process, from 40 cents pr. to 34 cents pr.; laminated sheets of synthetic resin, from 12½ per cent and 7½ cents lb. to 10½ per cent and 6¼ cents lb.; piano parts, from 20 per cent to 17 per cent; and mud dispersant derived from coniferous bark, from 10 per cent to 8½ per cent.

Europe

Canada concluded new agreements with the following European countries: Austria, Belgium, the Netherlands, Luxembourg, Denmark, Germany, Italy, Norway and Sweden. Extensive tariff concessions had already been obtained from these countries in previous negotiations under the GATT. However, as a result of the latest negotiations, many further concessions of interest to Canadian exporters have been granted by these countries.

While direct negotiations between Canada and European countries were not extensive, Canada will also benefit from concessions which these countries granted to the other European countries participating at this conference including the United Kingdom, and to the United States. Moreover, Canada did not negotiate with Finland, France and Turkey, but some of the concessions which these countries negotiated with others are also of interest to Canada.

In a few cases, the concessions made in European tariffs are reductions in statutory rates of duty which have been temporarily reduced by administrative action. Such concessions ensure that the lower rates resulting from the negotiations will be the maximum applicable rates. It should also be noted that many of the concessions of interest to Canada are on products or in countries where discriminatory restrictions have been removed.

A summary of the more significant European concessions is given below.

Austria

Austria was authorized by the contracting parties to the GATT to conduct its negotiations on the basis of a new draft tariff which is awaiting approval by the Austrian government. While rates of duty previously bound under the GATT continue in force under this new tariff, increased duties are scheduled on many items which are not bound. The negotiations thus offered an opportunity for obtaining reductions from this higher level.

Canada obtained a reduction on whisky, from the draft tariff rate of 3,500 schillings per 100 kilos to a rate of 2,450 schillings per 100 kilos. This reduction brings the bound rate on Canadian whisky to the level of the rate on bourbon whisky which the United States had negotiated with Austria in the course of GATT tariff renegotiations in 1955.

Other Austrian concessions of interest to Canada include a reduction in the duty on sheer nylon dress and lingerie fabrics from 35 per cent with a minimum of 14,000 schillings per 100 kilos to 32 per cent with a minimum of 11,000 schillings per 100 kilos; and a reduction on bookkeeping and calculating machines from 1,400 to 1,000 schillings per 100 kilos. The duty-free entry of tallow for technical purposes was bound.

Benelux

The common customs tariff of Belgium, the Netherlands and Luxembourg is not high and many leading Canadian exports to these countries are bound under the GATT either duty free or at low levels of duty. Nevertheless the negotiations provided a useful opportunity for obtaining concessions which are of interest to Canada. The three Benelux countries offer a substantially open market for Canadian goods, free from exchange and import restrictions.

The following are among the more important concessions, from the Canadian point of view. While lumber is admitted into the Benelux countries duty free on a temporary basis, the existing legal duty on larger sizes of coniferous lumber was reduced from 10 per cent to 3 per cent, which is also the rate of duty for standard sizes. The duty on a narrow range of odd sizes of coniferous lumber was reduced from 10 per cent to 5 per cent. The legal rate of duty on canned salmon was reduced from 20 per cent to 15 per cent; the existing duty on wood alcohol for the production of formaldehyde was reduced from 18 per cent to 12 per cent, on spark plugs from 12 per cent to 10 per cent and on parts of calculating and bookkeeping machines from 8 per cent to 6 per cent. Reductions were also granted in the duty on frozen tongues of bovine animals and pork, kraft paper, pressure cooking stoves of copper, loud speakers and microphones for telegraphy and telephony, and on organs. The existing duties were bound against an increase on crude rapeseed oil, on salted and pickled horse meat, and on some grades of paper and paperboard.

Denmark

Concessions on most of Canadian principal exports to Denmark had been obtained at earlier GATT conferences. Duty-free entry is bound on many of these items, while the duties on some others are bound at low levels. At the present conference, the duty-free entry of flax seed was bound and the duty on spark plugs was reduced from 0·10 krone to 0·05 krone per kilo. Canadian exports of these

products to Denmark increased considerably following removal of import restrictions last year.

Among other concessions of interest to Canada, the duty on canned peaches was reduced from 0·65 krone to 0·55 krone per kilo, and the existing duties were bound on planks and boards of Douglas fir and on radio navigation apparatus.

Finland

Canada did not negotiate directly with Finland. However, in its agreements with other countries, Finland granted some concessions which are of interest to Canada, including the elimination of the existing duty of 9 marks per kilo on mineral and vegetable blacks, a reduction in the duty on thin aluminum foil from 150 marks to 75 marks per kilo, and the binding of duty-free entry on rubber substitutes and on certain machines for the pulp and paper industry.

France

At the previous GATT conferences concessions had been negotiated by France on about two-thirds of the items in the French customs tariff. Among the products on which new concessions have been granted are the following: aluminum hydroxide bound against increase at 15 per cent ad valorem; lecithin, reduced from 20 per cent to 18 per cent; patent leather, reduced from 17 per cent to 15 per cent; and certain types of sewing machines, reduced from 12 per cent to 11 per cent ad valorem.

Germany

Germany granted concessions on a wide range of products. The concessions of primary interest to Canada include reductions in the duty on whisky, from 375 marks to 325 marks and from 575 marks to 525 marks per 100 kilos respectively depending on the size of the containers; a binding on canned salmon at 20 per cent and a reduction on canned lobster from 30 per cent to 20 per cent; an elimination of the 8 per cent duty on unbleached sulphate pulp and a reduction on bleached sulphate pulp from 10 per cent to 5 per cent; a reduction on ferro-silicon of high silicon content from 12 per cent to 11 per cent; a reduction on radio control and radio navigational aid equipment from 15 per cent to 12 per cent; and a reduction on polyvinyl chloride resins from 25 per cent to 21 per cent in three annual stages.

Duty reductions were also granted in the duties on fresh and frozen eels, kraft paper and paperboard and domestic electric washing machines. Statutory duties were reduced to the level of temporary reduced rates on small outboard motors, tires and tubes for motor vehicles, unwrought magnesium, calculating machines, typewriters and cash registers, and on metal-working machine tools. The existing duty on polystyrene was bound.

Italy

The negotiations resulted in concessions by Italy covering approximately 20 per cent of Canadian exports to that country in 1955. A number of the products on which concessions were obtained have been freed from restrictions.

Italy eliminated the statutory duty of 8 per cent on salted cod, which has been admitted duty free on a temporary basis. Similarly, the duty free entry of chemical wood pulp was bound, from a previous statutory rate of 6 per cent. The 10 per cent duty on flax seed and the 3 per cent duty on crude cobalt were eliminated. Reductions were granted on planks and boards of Douglas fir from 10 per cent to 6 per cent, on outboard motors from 35 per cent to 27 per cent and 25 per cent respectively depending on their cylinder volume, and on forklift trucks from 35 per cent to 32 per cent.

Reductions to the level of the temporary duties were obtained on prepared moulding and drawing powders of polystyrene and of similar plastics; on spades, shovels, hoes and similar tools; on calculating machines, automatic electric toasters and on burners operated by gas. The statutory duty on canned salmon was reduced from 25 per cent to 14 per cent. In addition, reductions were granted on certain iron and steel items imported from countries not belonging to the European coal and steel community, including Canada, within an annual quota.

Norway

The duty-free entry granted by Norway on many important Canadian products was bound at earlier GATT negotiations. At this conference, Canada obtained new concessions on a number of products. Reductions in duty were obtained on nylon fishing nets, from 25 per cent ad valorem with a minimum of 10 kroner per kilo, to one-fifth of this level, 5 per cent with a minimum of 2 kroner per kilo; and on synthetic rubber, from 30 per cent to a maximum statutory rate of 10 per cent.

Reductions were also obtained in the duty on canned salmon, from 0·30 krone to 0·25 krone per kilogram, on cotton duck, unworked cellophane, canned peaches, and on certain machines for the paper-making industry. The duty-free entry of pneumatic spade hammers and rammers was bound, and the existing duties were bound against increase on red

clover seed, patent leather, certain grades of upper leather and on fork-lift trucks.

Sweden

Sweden granted concessions on various items of interest to Canada, many of which have been freed from import restrictions. Duty-free entry was bound on natural aluminum oxide, which alone accounted for 15 per cent of all Canadian exports to Sweden in 1955. The duty on raw beaver skins was reduced from 15 per cent ad valorem plus 350 kronor per 100 kilos to 5 per cent ad valorem. The duty of 150 kronor per 100 kilos on raw muskrat, racoon and skunk skins was eliminated. Reductions were also made in the duties on phtalic acid and anhydride; developed motion picture film; dressed fur skins of beaver, chinchilla, mink and fox; motor vehicle tires; machine felt containing up to 20 per cent of continuous synthetic fibres; screw taps and dies; darning, sewing, and knitting machine needles; certain gasoline engines; radio receiving sets and factory trucks. Duty-free entry was bound also on planks and boards of Douglas fir and on nickel anodes. The existing 10 per cent duty was bound on certain machines for the paper-making industry and for mining. On whisky, the former bound rate of 200 kronor per 100 litres was reduced to the existing level of duty at 135 kronor per 100 litres.

Turkey

Commodities of interest to Canada on which the rates of duty will be reduced by Turkey include calculating machines and cash registers, from 15 per cent to 5 per cent; typewriters, from 10 per cent to 5 per cent; refrigerators and refrigerating equipment; and office furniture of metal.

Latin America

Canada concluded new agreements at this conference with Cuba, the Dominican Republic and Haiti. Successful negotiations had taken place with these countries at previous GATT conferences, and the new agreements are necessarily somewhat limited. It should be noted that these three Caribbean countries provide open dollar markets, without import or exchange restrictions affecting Canadian goods. Canada will also benefit from concessions granted by Chile and Peru in their negotiations with other countries.

Cuba

A number of useful concessions were obtained by Canada as a result of these negotiations. Duties on five commodities of interest to Canada will be reduced to the same level as the duties applicable to the United States under the preferential tariff treatment which Cuba grants to the United States of America exclusively. These reductions are on copper tubing or pipe, from 5·11 to 3·90 pesos per 100 kilogs; aluminum sheets, not corrugated, undulated or grooved, from 4·00 to 3·25 pesos per 100 kilogs; phosphorus, from 5 to 3·5 centavos per kilog; linseed oil, from 50 to 40 centavos per 100 kilogs; and sewing machines, from 5 to 4 per cent ad valorem. Some of these reduced rates were previously in effect but were not bound under GATT. In addition to the above concessions, the most-favoured-nation rates on refrigerators and electric ventilators will be lowered correspondingly with reductions made in the preferential rates to the United States on these products.

Dominican Republic

A wide variety of commodities have been included among the consessions granted by the Dominican Republic. Among these the following are of interest to Canadian exporters: Aluminum ingots reduced from 10 to 8 pesos per 100 kilogs; typewriters, calculating machines and cash registers, from 20 to 18 per cent ad valorem; mimeographs, dictating machines, and addressographs, from 20 to 18 per cent ad valorem; electricity and water meters, bound duty-free; passenger car and bicycle tires, reduced from 25 to 22 per cent ad valorem; synthetic resin and other plastics in original solid state, from 15 to 13·5 centavos per kilog; plastic toys, bound against increase at 1·20 pesos per kilog.

Haiti

Canada will benefit from several new concessions supplementing those previously negotiated with Haiti at Annecy and Torquay. The duty on dried fish and shellfish other than codfish has been bound against increase at 0·33 gourde per kilog or, if higher, 20 per cent ad valorem. Other concessions of interest to Canada include: electric refrigerators and air conditioners reduced from 10 to 5 per cent ad valorem; typewriters, dictaphones and mimeographs, from 20 to 15 per cent ad valorem; cash registers and calculating machines from 20 to 15 per cent ad valorem; oat cereals reduced from 0·25 to 0·15 gourde per kilog or, if higher, from 20 to 15 per cent ad valorem; canned soups from 0·35 to 0·25 gourde per kilog or, if higher, from 20 to 15 per cent ad valorem.

Peru

A few concessions granted by Peru are of interest to Canada among which are the following: rubber water hose over 8 cms. in diameter bound against increase at 0·10 sol per kilog; water wheels and turbines, bound at 0·03 sol per kilog. There is also a customs

surtax in the Peruvian tariff applicable to all items which, in the case of the above products, is also bound against increase at 12½ per cent ad valorem.

Chile

Negotiations concluded by Chile with other countries resulted in a number of concessions of which the following are of interest to Canada: leaf tobacco reduced from 6 to 4 gold pesos per kilog; cash registers and automatic vending apparatus reduced from 2·80 to 2·40 gold pesos per kilog; sodium phosphate bound against increase at 0·35 gold pesos per kilog; ferro-nickel and ferro-chrome alloys in bars, bound against increase at 0·15 gold pesos per kilog.

Japan

Canada did not negotiate with Japan at this conference, since negotiations between the two countries had taken place in 1955 at the time of Japanese accession to the GATT. However, Japan concluded new agreements with other countries and granted concessions on a number of items of interest to Canadian exporters.

Reductions in Japanese rates of duty of interest to Canada will apply to the following commodities: vegetable soups and juices, from 20 per cent to 17 per cent; synthetic resins of vinyl chloride and vinyl acetate series, from 30 per cent and 22½ per cent to 20 per cent; antibiotics and preparations thereof, from 17½ per cent to 17 per cent; containers of paper and cardboard excluding bags, from 15 per cent to 13 per cent; peaches and pears canned or bottled, from 30 per cent to 27 per cent; varnishes, from 22½ per cent to 20 per cent; insulated cable and wire for electricity, from 20 per cent to 18 per cent.

Items on which the rate of duty will be bound against increase include: whisky; polyethylene; polystyrene; pressure gauges; internal combustion engines; paper and pulp mill machinery; cream separators; electric refrigerators.

United Kingdom: Modifications in Preferences

Canada did not negotiate with the United Kingdom. However, a number of tariff preferences accorded by each country to the other will be modified to some extent as a result of agreements which Canada and the United Kingdom concluded with other countries. The changes are not significant in total and, in general, the cuts are not very deep. Some margins of preference will be narrowed and there are also instances of reductions in the preferential rates of duty. Changes in preferences in the Canadian tariff are indicated in a separate section.

GATT—Tariff Revisions

Modifications in the United Kingdom tariff of interest to Canada include the following: Printing paper, a reduction in the MFN rate of duty from 20 per cent to 16⅔ per cent, with imports from the commonwealth remaining duty free. Kraft paper and most machine-glazed papers, a reduction in the MFN rate from 16⅔ per cent to 14 per cent, with imports from the commonwealth remaining duty free. On a range of miscellaneous machinery and parts, a reduction in the MFN rate from 20 per cent to 17½ per cent, with imports from the commonwealth remaining duty free. Motor vehicles and various classes of accessories and component parts, a reduction in the MFN rate from 33⅓ per cent to 30 per cent, and a reduction in the preferential rate accorded commonwealth products from 22⅔ per cent to 20 per cent. Artificial silk yarn, a reduction in the MFN rate from 9d. plus 22½ per cent ad valorem to 9d. plus 20 per cent, with imports from the commonwealth accorded, as formerly, a preferential rate of five-sixths of the MFN rate. Papermakers' felts containing artificial silk, a reduction in the MFN rate from 25 per cent to 15 per cent, and a reduction in the preferential rate accorded commonwealth products from 20⅚ per cent to 12½ per cent. Artificial silk dresses, a reduction in the duty applicable to all countries from 30 per cent to 27½ per cent, the alternative specific rate of 6s.9d.1b. (chargeable when higher than the ad valorem rate) to be replaced by a rate of 9s.1b.

Tariff Concessions Granted by Canada

The tariff concessions made by Canada at the 1956 Geneva tariff conference cover 180 items or sub-items in the Canadian customs tariff. Of these, 115 are reductions in the present MFN tariff and 55 are bindings of the existing rates of duty, of which many had been lowered unilaterally by Canada since the last tariff conference. For five items Canada undertook not to raise duties above certain specified rates higher than those actually in effect, but which in all five cases are lower than the rates previously agreed to under the GATT. The remaining five items are reductions in the British preferential tariff, concurrent with reductions in the MFN tariff. Canada's concessions are shown in schedule V to the protocol of supplementary concessions. This schedule consists of part I covering the MFN tariff, and part II covering the preferential tariff. These concessions will not come into effect immediately, but will be implemented at appropriate times having regard to the implementation by other countries of their concessions to Canada. The

Canadian concessions to each country will be brought into effect in one step.

Canada's total imports during the calendar year 1955 from all countries under the 115 items or sub-items on which the MFN tariff was reduced at Geneva amounted to $91,000,000. Canada's total imports during 1955 from all countries under the 60 items which were bound but not reduced amounted to $88,000,000.

Part II of schedule V contains five items, which provide for reductions in preferential rates of duty on certain goods on which the most favoured nation rate is also being reduced. During 1955 Canadian imports from British commonwealth countries of goods covered by these preferential reductions in part II were valued at $450,000.

The reductions in the most favoured nation tariff cover a wide range of products such as:—textile machinery, orange juice, lettuce, newsprint, shelled oysters, shrimps, beer, spectacle frames, cigars, sawmill machinery, adding machines, cash registers, road building machines, electrical precision apparatus (such as is used in oil refineries and chemical works), cameras, and tobacco pipes. Details regarding these and other important most favoured nation tariff reductions are given below.

The most favoured nation rates on certain types of machinery were reduced, but all were of a class or kind not made in Canada, namely, textile machinery, Item 413, from 5 per cent to free; leather working machinery, item 420, from 7½ per cent to 5 per cent; certain road building machinery and earth moving machinery, item 422a, from 10 per cent to 7½ per cent; specialized types of electrical precision apparatus, meters, gauges, etc., items ex. 445k and 445n, from 22½ per cent and 15 per cent respectively, to 7½ per cent.

The most favoured nation rate on newsprint, item ex. 197, was reduced from 22½ per cent to free; ponderosa pine lumber and California sugarpine lumber, item ex. 505, from 10 per cent to 5 per cent; white oak lumber, item ex. 505, and Douglas fir lumber, item ex. 505, from 10 per cent to 7½ per cent.

The most favoured nation rate on orange juice, item 152(b) was reduced from 10 per cent to 7½ per cent; edible offal of beef and veal, item 7(b), from 1½ cents per pound but not less than 7½ per cent to 1¼ cents per pound but not less than 6 per cent; hay, item 69b, from $1.25 per ton to $1.06 per ton; white clover seed (both ladino and white Dutch), item ex. 71b, from 2 cents per pound to 1 cent per pound; bent grass seed, item 72e, from 15 per cent to 7½ per cent; the seasonal duty on lettuce was reduced from 1 cent per pound to 85 cents per pound; tomato paste, item 89 ex. (c), from 2 cents per pound to 1½ cents per pound; eviscerated turkeys item ex. 9, from 12½ per cent to 12½ per cent but not less than 5 cents per pound and not more than 10 cents per pound; cigar tobacco unstemmed, item 142(b) ex. (i), from 15 cents per pound to 12½ cents per pound, and cigar tobacco stemmed, item 142(b) ex. (ii), from 22½ cents per pound to 20 cents per pound.

The most favoured nation rate on cobalt metal, item ex. 208t and ex. 711, was reduced from 20 per cent to 10 per cent; on copper beryllium alloys, dutiable under various items, were reduced to 7½ per cent; manufacturers of lead, item 339, from 27½ per cent to 25 per cent; coin locks of bronze, item 352c, from 35 per cent to 30 per cent; retarder for plaster, classified under item ex. 220a and item ex. 711, from 20 per cent to 10 per cent; rough building stone, item 305, from 12½ per cent to 10 per cent.

The most favoured nation rate of fire engines, item 424, was reduced from 22½ per cent to 20 per cent; fish hooks for non-commercial fishing, item ex. 440j, from 15 per cent to 10 per cent; open pleasure boats, item ex. 440a, from 25 per cent to 20 per cent; guns and rifles of a class or kind not made in Canada, item 441e, from 10 per cent to 7½ per cent; cameras of a class or kind not made in Canada, item 462(ii)(a), from 17½ per cent to 15 per cent; slide projectors, item 463, from 20 per cent to 15 per cent; spectacle frames, item 328, from 17½ per cent to 15 per cent; cigars valued at more than $6 per pound, item ex. 143, from $1.75 per pound plus 15 per cent to $1.50 per pound plus 10 per cent; beer in casks, item 146, from 35 cents per gallon to 15 cents per gallon and beer in bottles, item 147, from 50 cents per gallon to 15 cents per gallon.

The most favoured nation rate on oysters, prepared or preserved, item 123 ex. (c) was reduced from 22½ per cent to 15 per cent; oysters shelled and frozen, item ex. 133, from 17½ per cent to free; shelled oysters in bulk and in cans, items 124, 125, 126 and 127, from various rates to free. Shrimps, presently dutiable at various rates, reduced to 10 per cent.

The most favoured nation rate on cash registers, item ex. 519(a)(2) was reduced from 25 per cent to 22½ per cent; cash register parts, item 519b, from 15 per cent to 12½

per cent; adding machines, item 414d, from 17½ per cent to 15 per cent; adding machine parts, item 414e, from 15 per cent to 12½ per cent.

Since GATT negotiations relate only to the most favoured nation tariff, there was no occasion to negotiate rates of duty under the British preferential tariff. Of course some margins of preference in the Canadian tariff as well as in the tariffs of other commonwealth countries were reduced in the course of negotiations with non-commonwealth countries. Of the items in which Canada reduced margins of preference those which covered the largest volume of trade were orange juice, electrical precision apparatus and textile machinery. The great bulk of Canadian imports of these products in 1955 were from non-commonwealth sources.

HOUSE OF COMMONS

Friday, June 8, 1956

The house met at eleven o'clock.

BUSINESS OF THE HOUSE

INTERIM SUPPLY—SUGGESTED COURSE OF ACTION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish at this time to make a brief statement and a suggestion about the business of the house and the business of the country. I want to suggest to all hon. members, and particularly to the Leader of the Opposition (Mr. Drew) and the leaders of the other parties opposite, that we should consider carefully whether it might not be possible to reach agreement on a course of action to meet a serious aspect of the situation now facing this house. I would ask the leaders opposite not to give me an immediate answer but to consider what I am about to say and to let me know before the house meets on Monday whether they would be agreeable to following the course I am going to suggest.

All hon. members are, of course, aware that the interim supply voted to defray the cost of administering the affairs of this country since April 1 is virtually exhausted and that, unless additional money to carry on the administration is voted at an early date, many thousands of people in this country will be faced with inconvenience and even serious embarrassment. It seems to me that all our fellow citizens do expect this parliament to conduct the nation's business in such a fashion that party warfare, which is inseparable from our form of government, does not result in unnecessary inconvenience and hardship to the people of Canada whom we are all here to serve.

In other sessions it has been usual at this stage for the government to ask for and for the opposition to agree to the voting of one month's interim supply in order to permit the administration of the affairs of the country to be carried on while the work of the session continues. To do so now would not deprive members of the opposition of the means of continuing their opposition to the government. There are many contentious items on the order paper about which it would be possible for hon. gentlemen opposite who wish to do so to oppose the government as strongly as they feel they would be justified in doing. I would, therefore, hope sincerely that it might be possible for the parties opposite to accept this suggestion I am making that we should proceed on Monday by agreement to the granting of interim supply for one month in the usual way.

Hon. George A. Drew (Leader of the Opposition): This statement sounds very plausible but is in keeping with the manner in which I regret to say the Prime Minister has put forward certain other suggestions within the past few days. What should be remembered is that this house does not yet know what the plans of the government are in regard to the continuance of this session. What would ordinarily be regarded as sources extremely close to the government have been stating it is the intention of the government to adjourn within a short time. If an adjournment is to take place, it presents an entirely different situation than that with which we would ordinarily be confronted.

Before we speak of other matters, I should think that the government would be only accepting its responsibilities to the house, all of which form a part of the general responsibilities of parliament, in telling us what it is the intention of the government to do. The Prime Minister has said that it seems all our people expect us to conduct our affairs in a way that will not cause disadvantage to the people of Canada. I would point out that it has been the custom to bring down interim supply before the earlier supply had come to an end. This is now June 8, and supply came to an end on May 31. I regret to say that this is only in keeping with the manner in which much of the business of the house is done, that we should be asked to vote interim supply at a time when the supply has already expired.

Naturally we will be ready at any time to consider any proposals, but since the Prime Minister has seen fit, and that of course is his right, to make this statement in the house before it has been communicated to me as Leader of the Opposition or to the leaders of the other parties, I believe it is appropriate to reply also in the house and to say that before suggestions are made as to the way in which business should be done in regard to the details now before us, it would be most appropriate if the government would inform us as to whether it intends to continue this session without interruption until our business is completed or whether it is intended to adjourn the house. This would have a very

definite bearing upon the voting of interim supply without any examination of the details now before us.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish merely to say on behalf of this group that even as we have been giving all these matters serious consideration for many days, we shall continue to give serious consideration to the situation that now confronts not only this country and the house but the government. Like the Leader of the Opposition we feel that before we are asked for an answer more information should be given to us than has been indicated by the Prime Minister this morning.

So far as this issue is concerned, I would remind the Prime Minister and the government that several days before the end of May I began to ask the Minister of Finance questions regarding interim supply. I made it clear that we were conscious of the fact that interim supply was running out and that in our view the normal course was for the government to bring down interim supply before the date that the money already on hand had run out.

However, Mr. Speaker, at this point I merely wish to indicate that, as we have been doing, we will continue to give consideration to the situation.

Mr. Solon E. Low (Peace River): Mr. Speaker, we will be prepared to give careful consideration to what the Prime Minister has suggested. At the moment I see no relationship whatsoever between the need to have interim supply for the period of one month and the future plans of the government with regard to adjournment or to any possible adjournment. They need the money; the bills have to be paid. We have never yet taken more than a couple of hours at any time, so far as I can remember, to vote as much as two months' supply. However, so far as we are concerned we shall be prepared to join with others in giving careful consideration to the Prime Minister's suggestion and on Monday we shall let him know exactly what we decide.

Mr. St. Laurent (Quebec East): Mr. Speaker, I am sorry that it is not possible at the present time to announce, or even to make, any plans for the future course of this session. This matter of interim supply is one of immediate urgency and I would hope that it would be considered in that aspect and as a routine matter that could be dealt with in the usual way.

Mr. Drew: Mr. Speaker, I do not wish in any way to engage in a debate on this subject but I would point out that it is now June 8, and if there is any foundation whatsoever for the statements that are appearing in the press that it is the intention of the government to adjourn before the end of June, that is now known to the government. To say that the government is not in a position to inform the house as to what its intentions are is straining the credulity of the members of this house rather severely.

The point I wish to make is this. We certainly have no desire to see anyone suffer as the result of the failure of the government to conduct its business in the ordinary way. Nevertheless, the government has seen fit not to follow the ordinary course by delaying the introduction of supply until some time after it would ordinarily come before the house. The extent to which it would be appropriate for us to facilitate the discussion of this subject depends on many things—and certainly we are as anxious as the government is that there should be no inconvenience to any Canadian because of proceedings here—but the fact is that we should know before we give an answer of that kind whether it is the intention of the government to adjourn the house and in that way postpone all consideration of the estimates where it will be possible for us actually to examine the business of the people of Canada. Obviously, that creates an entirely different situation. If we are to proceed without interruption to deal with the estimates such as those of national defence and other departments which are large spending departments and of extreme importance, or if on the other hand there is to be a deferment until a date when the major part of the expenditure will already have taken place, or have been committed for the remainder of the year, I do think the Prime Minister should be in a position to tell us the intention of the government with regard to adjournment. I cannot believe there are any uncertainties at the present time which would make it impossible for the Prime Minister to give that information to the house which at this stage of the session he should be able to give.

Mr. St. Laurent (Quebec East): Mr. Speaker, it had been the intention of the government to suggest that there be an adjournment over the summer months. Now, what has taken place is of such a character that we shall have to reconsider whether or not it would be possible to make that suggestion to the house with any hope that it would meet with the approval of the house.

Mr. Drew: Then, Mr. Speaker, may I ask the Prime Minister to give consideration to that matter before we meet to discuss the

manner in which the business to which he has referred will be proceeded with.

HOUSE OF COMMONS

MR. DREW—MOTION OF NON-CONFIDENCE IN PRESIDING OFFICER OF THE HOUSE

The house resumed, from Thursday, June 7, consideration of the motion of Mr. Drew:

In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I believe that the house would generally agree that my paraphrasing of the observations of the hon. member for Winnipeg North Centre (Mr. Knowles) clearly establishes his high regard for the Speaker as a man and particularly, because it is more relevant in this context, his great confidence in the particular role which he has in this house, and that that confidence prevailed, as far as the hon. member is concerned, up until a point somewhere between ten o'clock on Thursday, May 31, and the 1st of June. That was not, however, the view of the hon. gentleman who leads the party which my hon. friend supports, for the leader of the Co-operative Commonwealth Federation said at page 4650 of the current *Hansard* that what he had heard in the pipe line debate was evidence of what he called partisan rulings and the Leader of the Opposition in his carefully and moderately uttered statement observed that there had been rumblings about the quality of the Speaker long before the pipe line debate began; sometime, presumably, during the course of the recent winter. It is clear, however, that as far as the hon. member for Winnipeg North Centre was concerned his alleged confidence was shaken only at the time I have indicated. He has said that the Speaker did not act independently.

Now, Mr. Speaker, I have always understood that argument by assertion is not in fact argument at all. For one hon. member to say that the Speaker did not act independently is not in any way to establish with any justification that he did not in fact act independently. I can understand my hon. friend saying that perhaps of others with whom he did not enjoy the same measure of acknowledged and avowed intimacy and the cordial relationship which he had with the Speaker, the man who was his friend up until that period of May 31.

Mr. Knowles: June 1.

Mr. Martin: June 1. This is what Mr. Speaker said at page 4539 of the current *Hansard* about whether or not he had acted independently:

I want to tell hon. members that I know what my responsibilities are and that I am fully conscious of every step that I am taking.

Then he went on:

I am prepared to take responsibility before this house and the country for what I do.

The Speaker says he has acted independently and if my hon. friend really means to establish, as I know he does, his regard for the Speaker, this great friendship which has prevailed up until the very last moment, then I do not know what canon of fairness would suggest to my hon. friend to make an assertion that the Speaker did not in this matter act independently. Are we to have guilt by association, accusation by insinuation, and slander by smear, particularly of one's friend, the man who holds the highest office in the gift of this house?

I noticed that when the Prime Minister was speaking the other day the leader of the Co-operative Commonwealth Federation applauded the Prime Minister's observation that all or most of us in this house have regard for His Honour the Speaker. The leader of the Co-operative Commonwealth Federation applauded that remark. I am at a loss to understand that kind of gesture. If the Speaker of this house was deserving of the implications of this motion, supported by the hon. members I have mentioned, I do not know how they can say that they have regard for the Speaker.

Mr. Gladstone once said when he was bitterly attacked that he did not want the friendship and the fulsome praise of his opponents who had branded his remarks as not capable of measuring up to the truth. I will not carry on the logical implication that flows from this reference to Mr. Gladstone, but it surely on reflection must apply to the hon. member for Winnipeg North Centre (Mr. Knowles) who I believe is sincere when he says that he has friendship for the Speaker. Not in any part of his speech, which I read three times since it was delivered last night; not in any place has there been any kind of evidence by which one friend would judge another friend to be guilty of impropriety.

The Leader of the Opposition (Mr. Drew) has presented us with a motion. He did not go as far as the hon. member for Winnipeg

North Centre, but I think his motion deserves to be read at this time. It reads:

> In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

Mr. Speaker, the very wording of that resolution without any supporting speeches is justification for not accepting the motion at all. Assuming that the Speaker did not give notice and did reverse his own decision, does that constitute a basis for a motion of censure? Supposing the Speaker did refuse to allow members on occasion to speak on points on which they felt they had a right to be heard, is that justification for a motion of censure?

I do not agree that the Speaker reversed himself, but I am prepared to argue that even if he had, at best he could be accused or charged with an error of judgment, with misinterpretation of the rules. But in the absence of intention to be malicious and mischievous he certainly does not under our practice in this house or in the British House of Commons warrant the accusation and implication involved in a motion of censure. He clearly did not reverse himself. At page 4531 of *Hansard* of May 31 the Speaker is reported as having said:

> It would seem to me, however, that in a matter of this kind the thing to do, after having placed ourselves in a position where we can deal with the matter, especially since I am concerned, is to postpone the consideration of that motion.

I am trying to save time, and I quote now from page 4532, where the Speaker continues as follows:

> —I am not going to object; I am just going to let them go right ahead, but at one stage of the proceedings I want to say that I will have to be heard.

Then at page 4539 the Speaker made his ruling. He said:

> I am prepared to take the responsibility before this house and the country for what I do . . . Today we meet; I make a ruling.

There is nothing to suggest, as this motion suggests, that the Speaker had in any way reversed a decision which he had taken the night before.

Mr. Cameron (Nanaimo): Will the minister permit a question?

Mr. Martin: Provided that the Speaker allows me the time taken for it.

Mr. Cameron (Nanaimo): Will you give the ruling that refers to my motion, not the one that refers to the other?

[Mr. Martin.]

Mr. Martin: If my hon. friend will put his finger on it—

Mr. Cameron (Nanaimo): Page 4537.

Mr. Martin: I shall come to that at the end of my statement. I have read the speech of the Leader of the Opposition and I think it was, having in mind the context of the preceding days, an admirable example of restraint, but let any member of this house read every word of that speech and he will not find one accusation against the Speaker that would justify our resorting to what Mr. Herbert Morrison has called the rarely used technique of challenging in a fundamental position the authority of the Speaker.

There was never any suggestion by the Leader of the Opposition that the Speaker had not acted independently; he had reversed his decision; he had refused to listen to members who raised points of order; and on that account—and on that account alone—he deserved to be censured by this house. I do not believe that anyone can argue that it is the obligation of the Speaker to permit, or that he is allowed to permit, a debate on a point of order. When the Speaker does permit members to speak to a point of order, they appear before him as amici curiae, friends of the court, but not debating a proposition, with no right to debate the question. If that is the case, how can the Leader of the Opposition suggest that the Speaker at any time refused to permit hon. members to speak?

Even if he had refused them to speak, are we bound only by the letter of our rules? Do we not, in the conduct of any democratic proceeding, in this country or in the western world, recognize that the presiding officer has the right at any time, where the rules do not precisely cover a situation, to use his discretion as to what in the best interests of all concerned is the proper, orderly way in which to proceed? Surely the Speaker must be allowed that kind of discretion.

Mr. Knowles: Would the minister permit a question?

Mr. Martin: Let me finish this point. I have carefully examined the record during the night, and not one reference have I been able to find where within the rules of this house any hon. member was denied the opportunity of speaking when, as I say, within the rules he had that undoubted right. Even if he had that right, I say that the Speaker, in the context of the situation that confronted us the other day, had the right inherent in his office of presiding over our proceedings in a manner that would direct us out of chaos into orderly processes.

Mr. Knowles: Would the minister permit a question?

Mr. Martin: Yes.

Mr. Knowles: Whether or not a Speaker is called upon to allow debate on points of order, will the minister not recognize that, according to citation 110 of Beauchesne's third edition, the raising of a point of order is in order by any member at any time? It is there in citation 110 of Beauchesne's third edition, but that right was refused several times.

Mr. Martin: My hon. friend makes that point, and I am prepared to say this. Even if what he says were true, I would say that this is not a justification for taking the man who holds the highest office in the house of this free parliament and subjecting him to all that flows from a vote of censure. That is what I say. I find that perhaps no one has stated the situation more effectively than has the hon. member for Acadia (Mr. Quelch). I want to remind the house of some of the observations he made before I come to a point that I regard as being extremely important. He had been referring to the background of the controversy—and I use that phrase in order to be as objective as possible in my presentation—one that undoubtedly taxed the patience and ingenuity of the Speaker. Here is what the hon. member for Acadia said as reported at page 4653 of *Hansard*:

> In my opinion the Speaker has always been lenient in listening to advice on points of order and unfortunately instead of appreciating that the opposition has abused it.

Those are the words of the hon. member for Acadia, not mine. Then he goes on to quote the first part of the resolution as follows:

> In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion;—

Then the hon. member for Acadia continues as follows:

> We in this group are of the opinion that on Thursday the Speaker did make a mistake in rendering his decision regarding the point brought up by the hon. member for Nanaimo (Mr. Cameron). If that situation had been left as it was then it would have created a precedent that would have brought chaos into this house in the future. It would have meant that at any time any hon. member in this house disliked legislation the government sought to introduce and wanted to obstruct it, all he would have to do would be to get a friend of his to write a letter to the press and then bring it up, as did the hon. member for Nanaimo, and we would have obstruction without end because every time a letter is written to the press it could then be raised as a point of privilege in this house, and there would be no end to those points of privilege.

Mr. Speaker, is not that the true assessment of this whole situation? The Speaker was confronted with an unusual situation. There is nothing in our rules which says that, in regard to that kind of a situation, the Speaker cannot use his own discretion as to the best conceivable way of bringing about order. If he had not taken the step that he took, we would not have had whatever degree of order later followed and continued. This statement of the hon. member for Acadia perhaps represented only his own assessment of the situation. He may possibly not have known that he was expressing a view that is not only within our tradition but is part and parcel of the very rules which we operate here and under which parliament operates in the United Kingdom. I was not aware of that fact until early this morning when I took off my library shelf a book written by Herbert Morrison, entitled "Government and Parliament". At page 200 I find this reference which I will read. He was speaking about discussion, private members' rights, closure and so on; the actual title of the chapter is "The Closure". At page 202 he said this:

> For example, although there had been talk about the need to expedite business by curtailing private members' rights, it was only in the panic which followed the successful Irish obstruction in the 1880's that the house parted with its long preserved liberties. One of the most far-reaching of these reforms was the closure (that is to say, the motion 'That the question be now put'). It was first used by Mr. Speaker Brand, on 2 February 1881, who, in the course of a long debate and considerable obstruction, decided to put the question without further debate. He made a dignified statement saying that he considered that a crisis had arisen in parliamentary procedure and that the tedious discussions were against the general sense of the house.

That is the important thing—"against the general sense of the house". The quotation contains:

> He ended by saying that further measure for ensuring orderly debate must be left to the judgment of the house, meaning either that the government must take responsibility by bringing forward appropriate orders or that the house itself must find ways and means of solving the problem.

That is the commentary of Mr. Morrison who spoke for his party on procedural matters in the House of Commons during the years from 1945 to 1951 and who wrote this admirable book which includes many references to procedural questions. After much difficulty and with the help of the librarian I recovered the parliamentary debates that were in the hands of one hon. member opposite, and I refer the house to what Mr. Speaker Brand said in 1881 as recorded in *Hansard* for that year. As the hon. member for Winnipeg North Centre knows, Mr. Speaker Brand was one of the great Speakers of all time, whose decisions are constantly

referred to. He has been referred to by Mr. Churchill as the kind of man who furnishes the standards by which he who presides over our proceedings shall be judged. Mr. Gladstone in 1882 moved closure because of the circumstances that attended the debate on the Irish bill in 1880 and 1881.

Mr. Knowles: How long had the debate been going on?

Some hon. Members: Order.

Mr. Martin: I will come to that. But Mr. Speaker Brand, confronted with a situation for which there was no provision in the rules for the remedial action which he might take, had to give consideration as to whether or not the sense of the house—the sense of the situation, the desirabilities in the matter which every man under our system, even though it may not be written, clearly understands is proper on occasion to have applied. What did he say? Here is what Mr. Speaker said on that occasion. It is the kind of thing that the hon. member for Acadia envisaged in his own excellent observation. Mr. Speaker Brand,—and this is before the closure—with no justification by anything embodied in the rules of parliament, was acting as I say in appreciation of what he felt was the sense of the situation, just as our Mr. Speaker acted, I submit, last Friday in accordance with what he thought, in his best judgment, honestly conceived, was the sense of the situation. I will at once endow hon. members opposite with the right to take issue with this statement of mine, but in the absence of being able to establish that the Speaker did not act honourably, this motion has not the slightest justification for presentation in this house. Here is what Mr. Speaker Brand said:

> A crisis has thus arisen which demands the prompt interposition of the Chair, and of the House. The usual rules have proved powerless to ensure orderly and effective debate. An important measure, recommended in Her Majesty's Speech nearly a month since, and declared to be urgent, in the interests of the State, by a decisive majority, is being arrested by the action of an inconsiderable minority, the Members of which have resorted to those modes of "Obstruction", which have been recognized by the House as a Parliamentary offence.
>
> The dignity, the credit, and the authority of this House are seriously threatened, and it is necessary that they should be vindicated. Under the operation of the accustomed rules and methods of procedure, the Legislative Powers of the House are paralysed. A new and exceptional course is imperatively demanded: and I am satisfied that I shall best carry out the will of the House, and may rely upon its support, if I decline to call upon any more Members to speak, and at once proceed to put the Question from the Chair. I feel assured that the House will be prepared to exercise all its powers in giving effect to these proceedings.
>
> . . . I am satisfied that I shall best carry out the will of the House, and may rely upon its support, if I decline to call upon any more members to speak, and at once proceed to put the Question from the Chair.

If that is not the most classical justification for the decision taken by Mr. Speaker, the friend of the hon. member for Winnipeg North Centre (Mr. Knowles), his most cherished friend, the man who knows more about the rules of this house, it is said, than anyone else, then I do not understand the implications of the language of Mr. Speaker Brand.

Mr. Knowles: You have not yet told us how long that debate had gone on.

Mr. Martin: The Leader of the Opposition will remember the circumstances under which he himself, in 1947, urged in the Ontario legislature that the question be now put. That was an unusual procedure. The hon. gentleman, when he comes to speak, will tell me whether or not I am correct in saying that that procedure is not embodied in the rules of the Ontario legislature. There was some question about the authority taken by the Speaker, that is whether or not he was justified in the circumstances. I am sure that the Speaker of the day in the Ontario legislature, as the hon. gentleman, could make a strong argument for the course he had taken. In any event, those who opposed that course would not have had the justification of challenging the authority of the Speaker or saying that he had acted improperly or dishonourably.

There are three alternatives before us in this matter. We have said that none of us like this situation. The hon. member for Winnipeg North Centre said that when he spoke. We have heard the hon. member for Prince Albert (Mr. Diefenbaker) say that this was an unfortunate matter to have to deal with. The Leader of the Opposition (Mr. Drew) said he did not like it either. The leader of this government, the Prime Minister (Mr. St. Laurent), proposed that the motion be withdrawn but the hon. member for Prince Albert said, speaking in the name of his party, he would not accept the Prime Minister's suggestion. What are the alternatives? The suggestion that an unnecessary election should be imposed at this time on the people would settle nothing. It would not settle this issue. This issue, under our traditions and under our rules, can only be settled in one place and by one group of men and that is by those of us who at this time constitute the House of Commons.

Mr. Herbert Morrison recognized that was the case, for at page 204 of his book on "Government and Parliament" he writes:

> Motions can be put on the order paper criticising or even censuring the conduct of the Speaker or

his deputy (the chairman of ways and means) or the deputy chairman of ways and means. These may then be debated and may even be voted upon. Such occasions, fortunately, are very rare.

But they do happen, and on the occasions when they do happen the way that they are resolved is by the house concerned taking a decision as was taken in 1881 and in 1882 in Her Majesty's parliament in the United Kingdom. So, if we cannot have this problem resolved by the acceptance of one of these two alternatives I have mentioned, then what is shameful in this house being called upon to make a decision? Who is more competent than the members of this house who have watched Mr. Speaker operate over the past three and a half years? Are they not the ones who can best decide whether or not he deserves our continued confidence? Speaking as one member in this house, I have every confidence in Mr. Speaker. For three years he has discharged his responsibilities with honour, impartiality and maturity. I may say that I thought sometimes he permitted too much general discussion on points of order which in the final analysis he alone had to decide. But of course that is not a valid argument against him. It is in his favour as the hon. member for Winnipeg North Centre said last night.

I see no justification but one for this motion that is before us at this time. It is one that I wish the Leader of the Opposition, who is an officer of this house and who holds a very responsible post just as the Prime Minister does, will see fit at some time to dispose of in a manner which will be in accord with our traditions and in accord with the dignity and the proper functioning of our deliberations. But that is not for me to say. I simply say, as one member of this house, that I have confidence in Mr. Speaker and I continue to have that confidence. I see no justification in this attempted censuring of a man who, admittedly on all sides, has acted so creditably throughout his speakership.

The Leader of the Opposition reminded us of what Mr. Speaker said when on November 12, 1953, he spoke to this house on assuming his high office. Mr. Speaker said, amongst other things:

> I shall, I assure you, strive to deserve your effective support, and endeavour at all times to prove myself worthy of your trust.

Is there any hon. member in this house who will divorce himself from the incidents of the past weeks or who will confront those incidents objectively who can authoritatively assert that the Speaker has not sincerely carried out his trust? What evidence exists anywhere for any suggestion to the contrary? If there is no evidence, mere innuendo, mere insinuation, is not worthy of any hon. member in this house. He is a man whose office is a symbol as well as the prop of the existence of this institution.

My final words are these. I am not misled by this resolution. It is not the Speaker who is the real target of this attack, it is the government.

Mr. Knowles: Hear, hear.

Mr. Martin: It is the government that is sought after by this motion by the hon. member who now says, "Hear, hear". It is not Mr. Speaker, it is the government.

Mr. Knowles: We are after the government for what you did to our Speaker.

Mr. Martin: In their eager desire to try to force on the people an unnecessary election which will not resolve this question, some of my hon. friends opposite care not, Samsonlike, if they pull down the Speaker's chair and the pillars of parliament along with it.

Mr. Knowles: Mr. Speaker, even as the minister asked me a question the other night at the end of my speech, I am sure he will permit me to ask him one before he concludes. Is he not aware that it is precisely because of my regard for Mr. Speaker that what the government has done to him is so tragic?

Mr. Martin: I am glad the hon. gentleman has asked me this question because it clearly confirms what I said at the end of my speech, that it is not the Speaker whom hon. gentlemen opposite are challenging in this house, it is the government.

Mr. Knowles: For what the government has done to Mr. Speaker.

Mr. Martin: No matter what the government has done it is no justification for pulling down the reputation and the authority of the Speaker of the House of Commons.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the Minister of National Health and Welfare has just concluded an address in which I found it rather difficult to perceive any consistent argument. In concluding this speech he used a simile or metaphor in which he accused the hon. member for Winnipeg North Centre and, by inference, all the opposition of acting in a manner similar to that of Samson when he destroyed the temple by pulling down the pillars. If that simile has any application may I remind the minister and hon. members opposite that Samson's actions were brought about inevitably—the tragedy of Samson's actions was brought about—because he had been betrayed. He had been delivered into the hands of the iniquitous by Delilah.

Perhaps, there is some applicable simile here. The government has betrayed not only the Speaker but the House of Commons and parliament, and it was the government's betrayal of its responsibility and of its trust as equal custodians, with the others of us who sit here, of the rights of parliament, that had the result, if it has that result, of pulling the pillars and bringing the edifice crashing down. The responsibility rests with the government. But, sir, that is about the only part of the minister's speech that had any practical application to the situation now before us.

The minister tried to pretend—I will not say "tried to pretend"—the minister said that he somehow or other found this motion of censure almost repulsive, that there was something horrifying in the fact that it should have been moved. I can assure him and assure you, sir, if the assurance is necessary—I think indeed the statement has already been accepted by the Prime Minister and by the Minister of Finance—that the motion was not moved lightly, nor was it moved except after there had been some opportunity for mature consideration. It is true that we base the necessity for the motion on the fact that the government has produced the situation which gives rise to the motion. But let me remind the ministers, particularly the Minister of National Health and Welfare, that all during the time of this steady deterioration of the relationship between the house and the Speaker, all during the course of this debate when consistently and time and time again precedent piled upon precedent, what we sincerely regarded—and I submit shall be able to demonstrate—as incorrect rulings were given and incorrect actions were taken;—when those actions were protested to the Speaker, when we sought to bring the relationship back on an even keel and to remind the Speaker and the government of the rights and privileges which it is the duty of the Speaker to protect—nevertheless, instead of our course succeeding in restoring the balance, it resulted on at least two occasions, and I believe it may have been on three, in the Speaker virtually challenging us to move a motion of censure. The Minister of Finance shakes his head.

Mr. Harris: No.

Mr. Fulton: He will find absolute proof of what I say in *Hansard*.

Mr. Harris: I did not shake my head in either agreement or disagreement.

Mr. Fulton: I take it, then, that the minister accepts as a fact what I have said. It is a fact, as can be seen by consulting the record.

[Mr. Fulton.]

The Minister of Finance made a speech yesterday in which he, in effect, held out the olive branch and invited us to forget everything. He invited us, as it were, to say to ourselves, "Well, we moved this motion of censure in a fit of very strong emotion. Perhaps we were justified in moving it under the turmoil of the emotion then prevailing, but now that it is all over perhaps the best thing to do would be to withdraw the motion and to forget the situation which gave rise to it".

Mr. Harris: I never said that.

Mr. Fulton: The Minister of Finance says that he did not say that. I took it from his speech. I hope I am not being unfair. If he says that was not his intention I will accept it, but I do say—I am sure I am accurate here—that he hoped that when this was all over the old relationships would be resumed and that parliament would be able to carry on regardless of what had happened. Sir, I have some doubts as to whether that is possible. Certainly, all of us must try to carry on in the proper relationships that should prevail between government and opposition and to that end I certainly—and I am quite sure my colleagues will subscribe to this—shall try to do that. But I assure you, sir, that it is going to be extremely difficult because it is not going to be easy, indeed, it may not be possible, ever to wipe out the recollection of what was done to parliament by the government, and I do not see how it is going to be possible ever to restore the relationships to what they were before and to what it might be desirable to have them in this parliament, because the government that did that to parliament is the same government we still see here and will see here until this house is dissolved.

As I followed the Minister of Finance yesterday and as I read his speech in *Hansard*, I tried to understand the argument that he put forward to us, and I must confess that I have not been able to get any very clear interpretation of his argument. That may well be my fault. I know the minister is capable of putting forward a clear argument and does so on most occasions, even though we do not necessarily agree with him. On this occasion I find it difficult to draw out of his speech a clear argument as to what gave rise to the situation and what should be done about it. About the main argument I draw from his speech of yesterday is that under our system, with Speakers appointed and changed every parliament, it is difficult, if not impossible, to get an impartial Speaker and difficult, if not impossible, to achieve a situation where the Speaker's ruling would be viewed impartially.

Mr. Harris: I am afraid I did shake my head in negation of that one.

Mr. Fulton: The minister says he did not say that, but I refer him to two passages on page 4810 of *Hansard*, which certainly come very close to saying that. In the first he said:

> Let me ask hon. members opposite, is there any solution to dissatisfaction with a ruling of the Speaker except to put it to a vote of the house and to have a vote in which in all likelihood there would be a party division? So long as we have appeals that is bound to be the outcome in most cases.

Then he went on to say later on:

> When hon. members opposite in this particular matter express regret that we shall not be able to come to a conclusion except on what they think is a partisan vote, let me point out that since I came to parliament, and long before that, appeals with respect to the Speaker's rulings were decided in that particular way. Now, it surely is a matter for consideration that if that is the case, one wonders whether any useful purpose is served except to continue to remind the Speaker that there are members in the house who disagree with him, and nothing much beyond that.

It did seem to me—and I may be wrong but this is my interpretation of the main import of the minister's argument—he may say this is not what he intended, and, if so, I accept it—that under our system it is difficult if not impossible, to get impartial rulings and to get rulings accepted as impartial and regarded as impartial by members on different sides of the house. I do not accept that view but I take it to be the minister's.

Mr. Harris: That is not my view.

Mr. Fulton: Very well; the minister says that is not his view. I wish he would interpret his argument for us on some other occasion. But I do say that what he actually said, whether or not my view of his argument be correct, emphasizes the necessity of the government's being scrupulously careful in its relationship to the Speaker, being scrupulous not to place any burden on the Speaker which would make him less able to be impartial, not to enter into any relationship with him or to embark upon any course of conduct in the house that will make it difficult for the Speaker to be impartial. I submit, sir, that the government's course in the conduct of this debate particularly has not measured up to that standard of scrupulous conduct that is necessary.

The Minister of Finance did not deny yesterday having a meeting with the Speaker after ten o'clock on Thursday night. He denied the passing of a certain note but he did not deny—and I submit that no one over there can deny—that they made every effort and in fact suceeeded in the course of this debate in influencing the Speaker in the judgments and decisions and rulings he was about to give.

Mr. Harris: May I rise on a question of privilege, Mr. Speaker, to deny at this point that I at any time influenced the Speaker in any manner whatsoever in the course of the debate.

Mr. Fulton: Well, sir, I shall come in a few moments to some representations concerning what was seen in this house both by members of the press gallery and by hon. members, and I shall state what I myself saw in connection with a certain incident in the course of the debate. Before I get to that, however, let me deal with another matter the Minister of Finance dealt with in the course of his remarks. He said we should not blame the Speaker because the government imposed closure. I quite agree and I take it that the implication of the minister's remarks is that he felt it was possible that we in a spell of poor judgment, shall I say, were in fact without realizing it taking out our anger and our concern by a motion of censure on the Speaker, our anger having been aroused by the fact that the government introduced closure. Let me assure him, sir, that is not the case, as I have already pointed out.

Let me then return to the minister's argument. I agree with him that one should not blame the Speaker because the government imposed closure. No; but I do say that when closure is applied then the Speaker must be more careful than ever, more concerned than ever, to preserve the rights of the minority, because closure is of course the most violent, the most tremendous imposition that can be made on the ordinary rights of the minority. It is a method which is provided under the rules of the house although its application in this case, I still maintain, was not in accordance with the rules of the house; nevertheless, it is a method provided for. However, when it is invoked then the Speaker, the protector and the ultimate custodian of the rights of the house, must be more careful than ever to see that those rules which protect the minority even under closure are scrupulously observed; and unfortunately, sir, instead of that happening we saw the contrary.

After the application of closure by the government we saw a steady deterioration in the regard of the Chair for the rights of the minority which had become so much more important by virtue of the application of closure, and we saw—and the minister must accept what I say—what we believe to be a deterioration in the regard and the care of the Speaker for those rights under the pressure of the government.

I regret to say, as a matter of fact, that in the course of this debate the Chair as a

whole came into disrepute. We have one Speaker, it is true, but the Chair is shared by the three presiding officers—the Speaker, Deputy Speaker and deputy chairman—who normally rotate, and the pressure was such that in my view the Chair as a whole was brought into disrepute by the pressure applied by the government in the course of this debate, pressure applied as a result of its desire not only to invoke closure but to make closure as restrictive, and improperly restrictive, as it could possibly do.

There are three branches of the motion of censure before the house and I should like to deal with the central or middle branch first; that is, with the portion dealing with the action of Mr. Speaker in repeatedly refusing to allow members to address the house on occasions when the rules provide they have the right to be heard.

The Minister of National Health and Welfare (Mr. Martin) said there is not a shred of evidence of the improper conduct which is alleged against the Speaker or against the Chair, but just previous to that he had dismissed one of the very substantial pieces of evidence that we had brought; that is, the disregarding of the rights of members with respect to points of order and questions of privilege. The minister dismissed that as irrelevant, saying that the Speaker may have refused to see an occasional member but after all the Speaker is the final judge. But disregard of the rules is what we are complaining about, and how can the minister say, in view of the actions of the Chair in refusing to hear points of order and questions of privilege, that we have not brought evidence to substantiate the motion?

I would remind you, sir, that under standing order 17, and by virtue of the provisions of citation 110 of Beauchesne's third edition, it is clearly provided that a question of privilege or a point of order must be taken into consideration whenever it is raised. That is what is stated: "must be taken into consideration,"—and yet what did we see? Repeatedly we saw members disregarded on points of order and questions of privilege. As a matter of fact, it went so far that on one occasion the chairman stated that he deliberately disregarded members who rose, deliberately ignored them. You will find that at page 4560 of *Hansard*, where the deputy chairman admitted that he had deliberately ignored members who rose on points of order and questions of privilege. Why did he deliberately ignore them? He ignored them in order that he might put the question desired by the government before its propriety could be brought into question. Now, if that is not serving the purposes of the government then I do not know the plain meaning of ordinary words; but that was done, notwithstanding the rule which made it an improper act on the part of the chairman.

Mr. Deputy Speaker: Order. The hon. member at one point mentioned the chairman and at another point mentioned the deputy chairman. My recollection is that I made no such statement. I wonder if the hon. member would clarify that for me?

Mr. Fulton: Yes. It is found at page 4560 of *Hansard* and it is made clear it was the deputy chairman who was concerned at that moment.

Mr. Pickersgill: I suppose the hon. gentleman would not be willing to permit a question?

Mr. Fulton: Yes, if it is short.

Mr. Pickersgill: It is very short.

Mr. Knowles: We would be glad to have a speech from the minister.

Mr. Pickersgill: Does the hon. gentleman contend the standing order he referred to gives any member a right to rise on a point of order when the chairman himself has the floor?

Mr. Fulton: Well, Mr. Speaker, citation 110 reads:

> Points of order are questions raised with the view of calling attention to any departure from the standing orders or the customary modes of proceeding in debate or in the conduct of legislative business, and may be raised at any time by any member, whether he has previously spoken or not.

Now, sir, in order that I might deal with the question raised by the Minister of Citizenship and Immigration (Mr. Pickersgill) let me say that on the occasion to which I refer—and I know of other occasions—members rose before the chairman rose; practically simultaneously perhaps, but in my recollection, before the chairman rose. What is material, however, is what the chairman said. I am reading from page 4560:

> I was not unaware that one or more members were on their feet desiring to raise either points of order or questions of privilege, which I do not know. I did not hear them; I did not see them, let there be no doubt about that. I knew they were there but I did not officially recognize them. I consider that I was right in my action.
>
> Mr. Fulton: You deliberately ignored them.
>
> The Deputy Chairman: I did not officially recognize them. I consider—
>
> Mr. Fulton: Put it the straight way and say that you deliberately ignored them.
>
> The Deputy Chairman: If the hon. member prefers that expression I will not argue about it.
>
> Mr. Knowles: If the Chairman is accepting that as a statement of his position, that he deliberately ignored members, how can we continue on that basis?

Mr. Pickersgill: Will the hon. member permit one more question?

Mr. Fulton: I hope to be finished before the end of my 40 minutes, and perhaps the minister will therefore defer his remarks.

Let me now go back to the first branch of the motion of censure, that the Speaker improperly reversed his own decision without notice and without giving any opportunity for discussion.

Mr. Tucker: Does the hon. member suggest that these things can be raised during a division?

Mr. Fulton: I heard the hon. gentleman's question, but these points of order and questions of privilege were not raised in the course of a division. We did try to raise some of them but many of them were not raised in the course of a division.

The chairman and Mr. Speaker on many occasions simply refused to recognize us or to hear members who were raising points of order or questions of privilege which it was their right to do. That refusal on the part of the Chair was in direct contravention of the rules and precedents of this house.

I said I was coming back to the first part of our motion of censure, that the Speaker improperly reversed his own decision without notice and without giving any opportunity for discussion. Standing order 34—this is the sort of evidence which the Minister of National Health and Welfare asked for—reads as follows:

> Any member addressing the house, if called to order either by Mr. Speaker or on a point raised by another member, shall sit down while the point is being stated, after which he may explain.

On Friday morning, June 1, the Leader of the Opposition had the floor by virtue of standing order 7 and citation 216. The Speaker raised a point of order, which it was his right to do, but the effect of that point of order was to interrupt the speech of the Leader of the Opposition. While perhaps we should not, because we are members of the opposition, be overly assertive in stating the rights of the Leader of the Opposition, it is a fact which I think is recognized in their hearts by members and ministers opposite that the Leader of the Opposition occupies a peculiar place in the house because, as has been pointed out, he is an officer of this house. He occupies a position of peculiar priority with respect to his right to be heard. The Leader of the Opposition was interrupted by the Speaker, who raised a point of order, and the Leader of the Opposition indicated most clearly, as is shown by *Hansard* of June 1, his desire to speak to the point of order and also his desire to continue his speech once the point of order had been settled. Yet notwithstanding the position just referred to, the Speaker refused to hear the Leader of the Opposition or anybody else on that point of order, in contravention of standing order 34 (1) which says that the hon. member shall sit down while the point is being stated, after which he may explain.

Mr. Pickersgill: The Speaker had made a ruling.

Mr. Knowles: Which he had no right to make at that point.

Mr. Fulton: That standing order gives a right to the member concerned to speak to the point of order before the ruling.

Mr. Pickersgill: The Speaker had made a ruling which the hon. member knows was not open to review and was not debatable.

Mr. Fulton: That is my point, that the Speaker made his ruling at that time improperly and in contravention of the rules of the house because the rules of the house say that when a point of order is raised the member who has the floor shall have the right to explain, in other words to speak to the point of order. He was denied that right and the Speaker, again seeking to advance the course of the government and under the influence of the terrific and terrible pressure which the government was exerting on him, improperly disregarded the rules of the house and reversed himself without giving an opportunity to anyone to discuss the point of order which he had raised.

Mr. Harris: I wonder if the hon. member would permit me to ask just one question. The argument which he is advancing is somewhat new. Does the hon. member contend that, under standing order 34, when an hon. member, not the Speaker, is speaking and a point of order is raised, Mr. Speaker is obliged, after the point of order has been stated by the one seeking to make it, to hear then the member who has the floor? In other words, is it the contention of my hon. friend that this does not permit Mr. Speaker to do either one of two things, to say that the point of order is not well taken or that the point of order is well taken, without hearing any further argument?

Mr. Fulton: I think the rule speaks for itself; it states that if a member is interrupted by a point of order, he shall sit down while the point is being stated, after which he may explain. Perhaps I should read the whole thing:

> Any member addressing the house, if called to order either by Mr. Speaker or on a point raised by another member, shall sit down while the point is being stated, after which he may explain.

What could be clearer, whether the point is raised by Mr. Speaker or an hon. member?

Mr. Tucker: Why do you not go on and read the rest?

Mr. Fulton: I have read it already.

Mr. Tucker: No, "Mr. Speaker may permit debate." He may do it, he does not have to do it.

Mr. Fulton: The hon. member for Rosthern (Mr. Tucker)—I am not going to spend too much time on this point—is disregarding completely the first part of the standing order which says, "after which he may explain." Nothing could be clearer than that, that at least the member who is interrupted by the point of order may speak to the point of order if he wishes to do so. Mr. Speaker may then permit other debate subsequently, but he does not have to; but the rule says that at least the member who is interrupted may speak to it. I cannot see any other meaning that could be given to it. If my hon. friend disagrees with me, and as my time is running on, I would ask him to state his contrary arguments on a later occasion.

Dealing still with the first portion of our motion for censure, Mr. Speaker in an absolutely unheard of course of action then put a proposition to the house of his own motion. He tried to avoid having it described as a motion because Mr. Speaker realized he should not make a motion. He did in fact let his tongue slip in view of the tremendous pressure he was under and when it was actually being put he said, "Those in favour of this motion." That was corrected next day on a question of privilege.

But the rules of debate have come down to us from antiquity and they establish—I should not think that this would require any argument—that there can be nothing before the house for decision by way of a vote unless it is put in the form of a motion. How can you get a question before the house for decision except by way of a motion? The fact that the Speaker did not call it a motion but rather called it a proposition does not alter its basic nature. Mr. Speaker was not only improper in raising the matter himself but he put it forward at an improper time and in an improper manner because standing order 43 says:

> All motions shall be in writing, and seconded, before being debated or put from the chair.

The motion of the Speaker did not even have a seconder, nor was it in writing. Furthermore, standing orders 41 and 42 provide that such a motion must have 48 hours' notice unless unanimous consent is obtained to put it forthwith without notice. In addition, citation 136 of Beauchesne's third edition makes it clear, and I shall repeat it, that:

> All motions referring to the business of the house should be introduced by the leader of the house.

This extraordinary proposition certainly related to the business of the house. It suggested that we wipe a whole day from our records. Here then we had the extraordinary, unprecedented and tragic situation that the Speaker rushed to the rescue of the government under pressure of such a nature that he substituted himself for the government leader in the house in advancing government business through the house.

Now, sir, I come to the third subparagraph of our motion of censure, which of course is the most important. The Speaker is accused of subordinating the rights of the house to the will of the government. I think it would be equally correct to say that the Speaker is subject to censure for having permitted the rights of the house to be subordinated to the will of the government, because that is what happened. The government imposed its will, and Mr. Speaker, no more than the others who from time to time occupied the chair in the course of this debate, was humanly not able to stand up to the pressure imposed upon him. I find it difficult to criticize him for that. I find it difficult to believe that there would be any ordinary human being, subject to the ordinary human emotions and temptations and frailties, who could withstand the pressure that this government put on this Speaker under the circumstances. But, sir, the fact that the happening may be pitiful or tragic, whichever way you like to look at it, cannot blind us to the fact that it happened, and we must record our disapproval of the happening and our censure of what happened.

But the main responsibility still rests with the government, and of course this situation arose because of the government's determination to ram this bill through and to ram this closure through and to use the most improper, violent and vicious form of closure. We have heard some discussion of closure before, but I think it is necessary to refer to it briefly again. I think it is desirable that the record should be cleared up and that the misinterpretations and distortions placed by the government on closure in the British house should be removed. We have heard ad nauseam about the number of times that closure is used in the British house and the suggestion made that it is a normal thing over there and that it is the same sort of closure as is used here, and therefore we are absurd when we protest about the use of closure four times in one session; but the British closure is entirely different.

Mr. Harris: I said that when I spoke.

Mr. Fulton: You are about the only one who did, and you said it very sotto voce. The British closure is entirely different. The British closure is what we know as the previous question, and even that takes a slightly different form from our previous question. It is true that the previous question is used over there on frequent occasions. It is true, as the Minister of Finance said, that it may be invoked in the middle of the afternoon by any member of the house, but, sir, there are these two safeguards: first, that it shall not be put if the Speaker thinks it is an undue curtailment of debate and, second, it requires the support of 100 in the house even then before it will be put.

But there is this third and most important difference which explains so clearly why it is used over there so frequently as a matter of course. The previous question is available to private members as a means of bringing about a vote on their own proposals then before the house. Here we do not have that course available. Here, if the government finds a private member's proposal embarrassing, then they can talk it out, and they do. Over there, in order to avoid that happening and in order to enable a private member to bring to a vote a proposal he puts forward, he has the device of getting one of his friends to move the previous question. Then, if the Speaker thinks that there has been adequate discussion, he puts it, because he thinks it is desirable to have a decision of the house on the matter. So the previous question applies to private legislation and private members' proposals in a way that simply does not prevail here and it is a device which helps private members get a decision on the propositions they put before the house.

That is the reason why closure is used 121 times a year, or whatever it may be, in England. To suggest that the situations are comparable is to distort the facts and to misrepresent them to the house and the country.

Mr. Harris: My hon. friend would not suggest that the government there does not use it as well as private members.

Mr. Fulton: I quite agree, but it has those important safeguards mentioned.

Mr. Harris: Quite so.

Mr. Fulton: I think this should be pointed out, when we are talking about closure and about obstruction by the minority over here. It was just last session, on July 1, 1955, that the opposition in parliament accepted some very serious limitation on debate under the rules. The rules applying since then provide for limitation of debate to a far greater extent than they did just a year ago. We accepted them, after negotiation and compromise. We were not happy about them, but it was better than what we would have had forced on us if we had not. We accepted a limitation on the throne speech debate and a limitation on the budget debate and a limitation to six motions for going into supply. Yet the government is trying to say that the opposition refuses to accept any limitation on debate.

Now we come to the closure rule as it was applied by this government on this occasion. This, as I have said, is what started the deterioration in the relations between the house and the Chair. The invocation of the closure rule requires the most vigorous insistence by Mr. Speaker on the scrupulous adherence to the rules which protect the minority. Instead of that, we saw a steady whittling away under government pressure, of even those ordinary rules which protect the minority.

Now I come back to the question of the pressure brought by the government on the Chair, and the evidence of it. We saw, sitting here, what my hon. friend the member for London (Mr. Mitchell) referred to as that other pipe line, the pipe line between the house leader and the Chair. I well recall, sir, when I made the motion that the Minister of Citizenship and Immigration be now heard, when the Minister of Trade and Commerce was trying to get the floor to make his motion, that it caused consternation for a moment. I do not think I am putting it too srongly to say that there was momentary confusion on the government side.

Mr. Pickersgill: It certainly confused me.

Mr. Fulton: The confusion, however, was rapidly resolved in his own mind by the Minister of Finance, who suddenly realized that, if he could get the Minister of Trade and Commerce to pass to the Minister of Citizenship and Immigration the papers containing the motion he then was going to move, and if the Minister of Citizenship and Immigration was given the floor by the chairman, their difficulties would be resolved. So, sir, the signals that were being made here by the Minister of Finance to the Chair, the nods, the smiles, the waves—

Some hon. Members: Oh.

Mr. Fulton: —and the passing of papers back and forth between the Minister of Trade and Commerce and the Minister of Citizenship and Immigration were humorous to behold, or would have been if the situation itself were not so tragic.

Mr. Pickersgill: How silly can you be?

Mr. Fulton: We saw the papers being passed. How silly can you be?

Mr. Harris: Between the two ministers.

Mr. Fulton: Mr. Speaker, you yourself were in the chair on that occasion, and as I call on my colleagues over here to witness, you were at that moment so fully engaged that you missed the signal.

Some hon. Members: Oh.

Mr. Fulton: You were completely engaged. It is understandable that you were concerned, and you were engaged in discussion with members on this side trying to recollect when the motion to get the floor had first been made, and you were not able to direct your attention over there, so the signal was missed—

Some hon. Members: Oh! No.

Mr. Fulton: —and you did not put the motion which you were being invited to put from over here, that the Minister of Citizenship and Immigration be heard. You ruled it out of order and then we saw the papers being passed back from the Minister of Citizenship and Immigration to the Minister of Trade and Commerce.

Mr. Richardson: May I ask the hon. gentleman a question?

Mr. Fulton: I am sorry but I must answer no. I have only two minutes left. I would ask the hon. member to defer his question. We saw the culmination of this thing on Friday morning when a decision arrived at the previous night—an important decision —was reversed in the most calculated, brutal and callous manner and under the most calculated, brutal and callous pressure. I do not want to leave my own words as the only witness for that belief. I should like to bring forward in evidence an article written by a press gallery correspondent who would not normally, I think, be described as pro-Conservative. Perhaps he would not normally be described as pro-government either. He may be one of those who are in the happy position of being truly impartial. But at least I am satisfied that I am safe in saying he is not pro-Conservative.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Knowles: The questioners opposite did it again.

Mr. Deputy Speaker: I wonder if I might at this time crave the indulgence of the house on a question of personal privilege since my name entered into the latter remarks of the hon. member for Kamloops. I should like to assure hon. members that I am very conscious, as I stand here, of the fact that above my head is part of the wood from the old Westminster Hall and that, looking down on me, are generations of British constitutional history. I should like to say this. I am very conscious of my responsibility and I am most certainly not the recipient of signals from either side of the house. I have always tried to render my decisions in an impartial manner.

Mr. Fulton: Mr. Speaker, may I ask if the time allotted to me included the time taken to answer questions?

Mr. Harris: We do not do that.

Mr. Deputy Speaker: As a matter of fact, I purposely failed to look at the clock at 12.33.

Some hon. Members: Question.

Mr. Daniel McIvor (Fort William): Mr. Speaker, with reluctance I rise to take part in this filibuster—

Mr. Harris: Mr. Speaker, I rise on a point of order. May I interrupt my hon. friend?

Mr. McIvor: Very well.

Mr. Harris: Mr. Speaker, I had an understanding—if it was not a firm one, I thought it was—about the order of speakers today. We had not thought that my friend the hon. member for Fort William (Mr. McIvor) would want to take part in this debate.

An hon. Member: Closure.

Mr. Harris: If I had not engaged myself to hon. gentlemen opposite to have a certain arrangement as to speakers, I would not have intervened.

Mr. McIvor: It is quite all right.

Mr. Harris: I am quite prepared to let this go forward—

Mr. Knowles: Let him speak.

Some hon. Members: Go ahead.

Mr. McIvor: Mr. Speaker,—

Mr. Deputy Speaker: Order. As a matter of fact the hon. member for Dauphin (Mr. Zaplitny) had risen before the hon. member for Fort William rose and my attention was directed to him.

Mr. Harris: I think he had better be heard.

Mr. Deputy Speaker: I did not recognize any hon. member but I am sure in my own mind that the hon. member for Dauphin rose first and it had been my intention to recognize him. I now recognize the hon. member for Dauphin.

Mr. Zaplitny: Mr. Speaker, may I say that I shall be glad to yield the floor to the hon. member for Fort William.

Mr. McIvor: No, thank you. I want to keep to the rules.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, several of the members on this side of the house who have taken part in this debate have expressed their distaste for doing so on the basis of personal friendship with the Speaker. I cannot claim to have an intimate friendship with the Speaker although our relations in this house and outside it have always been the best. As a preface to the remarks I wish to make today I should like to point out that I was one of those who, not so very long ago, rose in this house on a question of privilege in order to defend the Speaker when I considered that a report in one of the newspapers erroneously reported what he had said on an important occasion. I stand by every word I said at that time because the address which I heard him deliver on that occasion was, in my opinion, an excellent one and one which could not have been interpreted in any sense as being partisan. It was on that basis that I rose to defend Mr. Speaker and because we on this side of the house—as are hon. members, I am sure, on all sides of the house—are very jealous of the position of the Speaker with regard to impartiality. That is the reason why all of us, I am sure, take part in this debate; but we do not do so with any great alacrity because we know we are debating a motion which expresses lack of confidence in the Chair.

I wish first to draw attention to some of the remarks made by the Minister of National Health and Welfare (Mr. Martin). In my opinion the minister made an excellent address from a partisan point of view. But in a debate in which partisanship is the least desirable of all ingredients, I regret to say that his contribution was not of his usual best. He made quite a point of quoting with approval the remarks of the hon. member for Acadia (Mr. Quelch) when that member spoke earlier in this debate. I am not at this point going to express my own opinion of that particular contribution. I would rather call on an independent opinion, from a source which—because of the fact that the writer is not a member of this house—could probably be depended upon to be non-partisan. I refer to the Winnipeg *Free Press*, a newspaper which is not notoriously unfriendly to this government. Here is what they have to say with regard to exactly the same point. I quote from their editorial:

> The three party leaders—Mr. St. Laurent, Mr. Drew and Mr. Coldwell—are all to be congratulated for their handling on Monday of the debate concerning the Speaker. (Mr. Quelch, for the Social Credit party, made a nasty speech; but its inappropriateness to the occasion is merely an additional sign that the Social Credit philosophy is without understanding or care for the principles of parliamentary democracy.)

Mr. Johnston (Bow River): It was the truth he stated.

Mr. Zaplitny: Mr. Speaker, my regret is that the Minister of National Health and Welfare, by quoting with approval what is referred to in this editorial, has placed himself in the same category of being without understanding or care for the principles of parliamentary democracy, in the view of the Winnipeg *Free Press*.

Mr. Martin: If that is true, so has Mr. Speaker Brand.

Mr. Zaplitny: I do not think that remark is going to take away anything from what I have just said. I feel it is unfortunate that, in a situation of this kind, the government should be trying to leave the impression, in their so-called defence of the Speaker, that the members on the opposite side of the house are attacking the Speaker for partisan purposes. That is not the case.

In his address the minister said that the members on this side of the house—particularly the hon. member for Winnipeg North Centre (Mr. Knowles)—had tried to get at the government through the Speaker. I suggest that the very reverse is the fact, namely that the government got at the opposition through the Speaker and that they are the ones who caused this whole mess. Not only will members of this house who were eyewitnesses to the whole of these events confirm that point of view. After all, the newspapers of this country, for the most part,—particularly on the question of procedure—are not taking a partisan point of view but are trying to call the shots as they see them. One has only to look through the newspapers these days to see that there has been a long procession of opinion in which it has been plainly stated that the government is responsible for having undermined the authority and the dignity of the Chair in the debate which has just ended.

Now, with the preponderance of evidence and opinion on the part of disinterested persons outside this house, I think it would have been better for the government to have admitted its mistake at this point and in that way to have salvaged the dignity and decorum of the Chair, rather than try to

place the responsibility on the other side of the house. I am quite happy to support what I have just said by a further quotation from the same newspaper. On the editorial page of the June 4 issue under the title, "Mr. Speaker", I find this:

> That Mr. Speaker Beaudoin should be a casualty of the pipe line debate at Ottawa is more than a personal tragedy. It is also a political disaster.

Then they go on to say:

> It is that which makes the personal tragedy of the censure motion on the Mr. Speaker so acute.

Mr. Pickersgill: From what is the hon. gentleman reading?

Mr. Zaplitny: From an editorial in the Winnipeg *Free Press* of June 4, 1956. I continue:

> Unfortunately, the painfulness of the tragedy does not lessen the hard reality of the political disaster. No opposition could have failed, in the circumstances of last Friday, to declare its loss of confidence in the Speaker and move censure on him.

Then farther on they say:

> The government thought that a bulldozer was the right instrument to clear the path of the pipe line bill and learned too late that the result was in fact a chaos and bitterness in which probably no Speaker could achieve what parliament requires of him, because parliament is not meant to function this way.

Those are strong and unequivocal words. They do not beat about the bush. They place the responsibility squarely on the shoulders of the government where, in my opinion, it belongs.

Mr. Martin: Why take it out on the Speaker then?

Mr. Zaplitny: May I ask the hon. gentleman who has just asked that question, what other way an opposition could register a protest under those circumstances?

Mr. Pickersgill: By a vote of want of confidence in the government, of course.

Mr. Zaplitny: That, I am afraid, would be much too late because the Speaker has already been crucified by the government.

It is not my intention to review the events which led up to this censure motion, the points of order and procedure that took place on last Thursday and Friday, because that has been thoroughly done in this debate. The experts on both sides of the house have already put that on the record and I wish merely to make this reference in that regard. If there is any doubt in the minds of members opposite as to the role that has been played by those who took an active part in the procedural debates in this house I would refer them to an editorial which appeared in the Ottawa *Journal* a few days ago. The whole editorial was devoted to the hon. member for Winnipeg North Centre (Mr. Knowles) but out of respect for his modesty I will not quote it. One has only to read that editorial to realize that the hon. member for Winnipeg North Centre deserved better at the hands of the Minister of National Health and Welfare (Mr. Martin) than he received today. It is quite clear the hon. member was fighting for a principle that is vital to the functioning of this parliament and that has been recognized by the press right across this country, not by a press that is friendly to the party to which he belongs but by a press that recognizes genius and ability when it sees it.

The matter which I shall discuss particularly today is not a question of technicalities or procedure but rather more in a philosophical vein concerning what I regard to be the greatest error made by members sitting behind the government. What the government itself has done has been well laid on the record already. I contend that the rank and file of members who support the government have the primary responsibility because it is by their grace that the government holds power. It is their attitude to which I wish to draw the attention of the house, and which I think resulted in the tragedy we have seen.

I want to refer to the address made by the hon. member for St. Lawrence-St. George on May 29 in which he, while talking on a point of order, placed on the record the quotation from section 49 of the British North America Act. One sentence in the quotation is this:

> Questions arising in the House of Commons shall be decided by a majority of voices . . .

Now, he proceeded from there to argue that because of section 49 of the British North America Act the majority shall always decide. He fell into a trap that is often the result of over-simplicity. The same argument was taken up later by the hon. member for Nicolet-Yamaska (Mr. Boisvert) and some other members supporting the government in which they insisted that it is the duty and the right of the majority to rule. If one were to follow that to its logical conclusion, we would have the most vicious type of one-party government in this country that could ever be envisaged. It would come, in my opinion, very close to the theory set out by Karl Marx in which he argued for the dictatorship of the proletariat on the basis of the fact there was more of the proletariat than any other class and therefore that class shall rule and the rights of the other people shall be taken away. In other words, it is rule by majority, by brute strength. We cannot subscribe, we cannot even entertain, such a thought in this parliament or in this country.

Mr. Richardson: May I ask the hon. gentleman a question?

Mr. Zaplitny: Certainly.

Mr. Richardson: Does the hon. gentleman deny that section 49 of the British North America Act is in existence now?

Mr. Zaplitny: What the hon. member read into the record was the main part of section 49. I think that was the only part he did put on the record, that questions arising in the House of Commons shall be decided on a majority of voices. I do not quite get the point of his question. Certainly, I do not deny the British North America Act is in existence. Unless the hon. member meant to ask something else, I am not quite sure how to answer. There is no debate about that. Section 49 of the British North America Act does exist and it does say what the hon. member put on the record. I am not questioning the accuracy of his quotation. All I am pointing out is what he and others who spoke as he did took that quotation to mean and the implication that carries with it.

The standing orders of this house are the British North America Act of the House of Commons. We are talking about minority rights. I am not particularly concerned about the minority in this House of Commons, which is the opposition. We are probably a less vulnerable minority than any in the country because in this house we are in a fluid position. The minority of today may be the majority of tomorrow. We are in a position to speak up for ourselves and make a protest when we see the rights of the minority in this house being trampled upon. Therefore, I am not particularly concerned as to what happens to members of the opposition in this House of Commons, but I am very much concerned about the philosophic acceptance of the philosophy, with all its implications, that the majority shall rule. If we accept that as a philosophy and apply it, particularly in a country such as ours where, as a matter of fact speaking from the point of view of our population in this country we are a nation of minorities, there is no telling what may happen.

With respect to racial origin, there is no group in this country that has a majority. We are a nation of minorities, and if we ever allow ourselves to follow the implications of the arguments presented by the hon. member for St. Lawrence-St. George (Mr. Richardson), the hon. member for Nicolet-Yamaska (Mr. Boisvert), and others who have spoken on that side of the house, that the majority shall rule, it is their right to do so, then we shall be heading for very serious trouble, much more serious than that which we have witnessed in the House of Commons.

Mr. Richardson: I would not like to interrupt the hon. member, I do not propose to do so unless he permits it. May I ask another question? Does the hon. member now propose, either in this session or in some early session, to move an amendment so that section 49 of the British North America Act will be changed?

Mr. Fulton: There was never any question about that.

Mr. Zaplitny: Mr. Speaker, I do not think the hon. member is serious in asking that question. I think the content of the question itself indicates that he is not expecting an answer.

Mr. Richardson: I am.

Mr. Zaplitny: Certainly, I have no intention of moving that that section of the act be taken out; in the first place because I see no reason for removing it, and in the second place because it is not this House of Commons that would amend the act, anyway, it would be the British House of Commons.

Mr. Carrick: May I ask a question? What does the hon. member understand it to mean when section 49 says that questions shall be decided by a majority of voices? What does he understand that to mean?

Mr. Zaplitny: I am glad that question was asked, because it brings me exactly to the point I was about to make, Mr. Speaker, namely, that in the acceptance of a majority decision we must remember that it has to be applied and understood on the basis of rules and laws. If we applied the bare theory that the majority shall rule, without taking into consideration the rules under which they shall operate, or the laws of the land under which they shall operate, then we would find ourselves in an impossible position. Let me put it this way. Suppose we applied that theory in its bare implications to a court of law and said that the majority in court shall decide. Then, of course, we would not have justice. We operate in courts of law under certain laws and they are applied according to the way they are interpreted by the presiding judge. It is not a question of who has more lawyers in court; it is not a question of the jury being composed of 12 and the accused only one person and therefore he has automatically to lose the case. The laws are interpreted and adhered to strictly, and that is exactly what has to be done in this house. The standing orders of this house are the British North America Act of the House of Commons, and the moment the government

decides that the standing orders are a mere obstacle in its path and begins to find ways of circumventing those standing orders and the rules of this house, at that point it is abusing section 49 of the British North America Act and not using it. That is the point exactly. The rules of this house provide for certain procedures; they provide for the way in which legislation shall be brought forward step by step; they provide for points of order, questions of privilege and so on. I contend, sir, it is not the Speaker's responsibility nor his right to concern himself with the speed or effectiveness with which legislation passes through this house. That, I contend, is the responsibility of the members of this house. The Speaker's responsibility and function are strictly to interpret the rules as they are and to treat with fine impartiality all members on both sides of the house.

As the very controversial debate proceeded, one could perhaps draw this type of analogy from what happened. Here we were on a very controversial bill. The government was presenting its side of the argument and the opposition its side of the argument. It was something like a see-saw based on a fulcrum. At one point the government felt that the opposition perhaps was placing arguments that were more weighty and the see-saw began to come down in favour of the opposition. It was at that point that the Speaker moved the fulcrum and that is what started this whole controversy so far as the Speaker is concerned. At the point at which the see-saw was finely balanced, when the weight of the argument on each side was particularly heavy and the slightest shift of the fulcrum made a great difference as to the outcome of that controversy, at that point the Speaker shifted the fulcrum in favour of the government. I am not going to go into the question of why he did so; I am not going to go into all the details of how he did so. That is already on record. But the fact remains, and it is unanswerable, that the Speaker shifted the fulcrum in favour of the government at a very crucial point in the debate. Because that was done and because it was done contrary to the rules of this house, the opposition had no other recourse than to do what it eventually did, and therefore the motion is before the house.

Mr. Carrick: May I ask the hon. member a question?

Mr. Zaplitny: Yes.

Mr. Carrick: If the Speaker honestly felt that he had made a mistake—

Mr. Dufresne: What proves it?

[Mr. Zaplitny.]

Mr. Carrick: Would you give me an opportunity to ask the question?

Mr. Drew: Make your own speech.

Mr. Carrick: I am speaking to the hon. member for Dauphin. If the Speaker felt that he had honestly made a mistake in not allowing the house to express its wishes on the appeal from the chairman's ruling, what was his duty to do except to try to restore the position?

Mr. Knowles: He could have asked the leader of the house to move a motion.

Mr. Zaplitny: Two reversals of decisions were made on Friday morning. One of them had to do with a motion, the other one with a point of order. I contend that in either case, if the Speaker felt that he had made an error the day before and felt that a different type of decision should have been made, his duty would have been to inform the house that on a future occasion, under the same circumstances, he would rule in a different way; but he was not justified, without notice and without an opportunity for hon. members of the opposition to discuss the matter, arbitrarily to rule that we go back to the position we were the day before, and to place before the house what he termed a proposition for which there is no precedent. On that basis and for these reasons I regretfully say I find that this censure motion is perfectly in order.

Mr. Drew: Mr. Speaker,—

Mr. Deputy Speaker: If the Leader of the Opposition speaks now he will close the debate.

Mr. Harris: Agreed.

Mr. Deputy Speaker: It being one o'clock I shall leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, with the statements that I am about to make, the discussion of this motion will terminate and we shall then deal with this matter in one of two ways. I shall come back later to the ways in which this can be dealt with.

When I spoke first on the introduction of this motion I made it clear it was with the utmost reluctance and with very deep regret that we found it necessary to introduce a motion of this kind against a Speaker for whom,

as I said on that occasion, we have had not only respect but personal affection.

Since I presented that motion a number of speeches have been made; three have been made by members of the government. The Prime Minister (Mr. St. Laurent) has spoken, the Minister of Finance (Mr. Harris) has spoken, and today we heard from the Minister of National Health and Welfare (Mr. Martin). If there had been any uncertainty before about the necessity for a motion of this kind that uncertainty would have been removed by the nature of the speeches which have been made by the members of the government.

The Prime Minister washed his hands of all responsibility. Not only did he wash his hands of any personal responsibility but he imputed to the opposition motives which indeed would have made us unworthy to sit as members of this house if they had been true. I challenged the statements of the Prime Minister at that time but instead of withdrawing from his position he re-emphasized it. The Prime Minister had this to say, as reported at page 4657 of *Hansard:*

> This situation will appear to many, in spite of the elevated tone of the addresses made in the house this afternoon by the Leader of the Opposition (Mr. Drew) and by the leader of the C.C.F. party, as being one more attempt to prevent the majority in parliament from reaching a point where it would be entitled to vote upon the propriety or otherwise of this controversial measure.
>
> Mr. Drew: Mr. Speaker, I must intervene on a question of privilege. I think it is a most improper suggestion that a matter brought forward in this way should in any way be suggested as a means of delaying debate in the pipe line proceedings.

I then went on to say:

> I repudiate any suggestion of that kind and greatly regret that the Prime Minister (Mr. St. Laurent) would have thought of making such a suggestion.

To that the Prime Minister replied:

> Mr. Speaker, not even the Prime Minister could avoid thinking that each and every move that has been made since the pipe-line resolution was first brought before the house was designed to prevent it from reaching a point where it might become a statute of the Canadian parliament.

That was the position taken by the Prime Minister. We were dealing with a most unusual situation. We were dealing with a situation in no way correctly interpreted by the Minister of Finance or the Minister of National Health and Welfare. We were dealing with an unqualified decision by the Speaker a week ago Thursday night to accept a motion which he in fact had suggested in form and assisted in drafting; and then the following morning without notice, without authority, without precedent of any kind, he rose in this place to say he had come to the conclusion that he had made a mistake.

Mr. Speaker, if there was any uncertainty about the decision the night before it was the duty of one member of the government, whoever it might be, to raise that question. The members of the government were not caught by surprise. It was apparent they knew what was going to be done; it was evident. It was equally evident when the organized applause started immediately upon the announcement by the Speaker of what he was doing. Had they not known they would not have realized the significance of the decision which had been made.

An hon. Member: What do you think we are—dumbbells?

Mr. Drew: It was not a decision merely to reverse the acceptance of a motion the night before on which debate had proceeded, it was a decision which was in keeping with the desire of the government to circumvent the rules of this house, a decision about which there was no surprise; a decision which, right or wrong, should never have been made except upon an application by a member of the government or someone on the other side and consideration by the Speaker of arguments from both sides as to the propriety of following such a course. This was no ordinary decision.

Then we had the Minister of Finance washing his hands of responsibility and making the unctuous suggestion that he had sought as no one else had to prevent the disturbances. The Minister of Finance now nods his head in support of that statement. The Minister of Finance sat here without a comment while the organized bedlam that is recorded in *Hansard* was carried forward by hon. members opposite largely under the direction of the Minister of Citizenship and Immigration (Mr. Pickersgill).

Some hon. Members: Nonsense.

Mr. McCann: Ridiculous.

Mr. Drew: *Hansard* shows perfectly clearly the nature of the interjections, the frequency of the interjections and the kind of organized bedlam which went on under the benign approval of the Minister of Finance.

Mr. Prudham: After the bell had rung; after the vote was called.

Mr. Fleming: It was immediate.

Mr. Drew: Mr. Speaker, I do not intend to be diverted from the course of my remarks by ordinary interjections but I do not intend to overlook the interjection of the Minister of Mines and Technical Surveys (Mr. Prudham). He said, "After the bell had rung".

No, it was not after the bell had rung. It was immediately after the Speaker announced he was going to reverse his earlier decision that a bedlam of applause broke loose in this chamber. It came from men who knew what was going to happen.

Some hon. Members: Nonsense.

An hon. Member: Prearranged.

Mr. Drew: The Minister of Finance had this to say, as reported at page 4683 of *Hansard*:

> I am going to say something that is rather difficult for me to say under the circumstances. Both the Leader of the Opposition and the leader of the C.C.F. this afternoon said that all of us ought to regret what has happened, particularly what happened on Friday. I am going to agree with both of them. However, I hope that in expressing agreement in that sense I am not to be taken as having accepted any responsibility for it.

Oh, Mr. Speaker, those words will go down in *Hansard* as the words of a man who put before the house one of the most tawdry pretences that has ever been heard in this chamber. Men who sat here heard the bedlam raised by the supporters of the government without a word of objection; then the minister is quite ready to agree that others are responsible; but, oh, not the Minister of Finance (Mr. Harris). Listen to what he said, as reported on page 4684 of *Hansard* of June 4:

> A week ago Thursday night I did what no other member who has spoken in this debate has done. I rose in my place and appealed to the followers on this side of the house to remain in a condition which would not excite any feelings in this house, and from that day to this they have done so.

Let anyone examine the pages of *Hansard* between the Thursday night to which he refers in the previous week and the time at which he spoke and the answer will be found to a sanctimonious statement of that kind, completely denied by the record for all time.

This subject was dealt with further today by the Minister of National Health and Welfare (Mr. Martin). I would have hoped that the Minister of National Health and Welfare would have acted more in keeping with the reputation which he has deserved of respecting accuracy and the responsibilities of this house. Again from him we heard a distortion of the record. That is a shameful thing as it stands permanently embedded in *Hansard* for years to come. He said:

> I am not misled by this resolution.

No, he was not misled by the resolution. Then, even worse, he went on to say: "In their eager desire to try to force on the people an unnecessary election which will not resolve this question, some of my hon. friends opposite care not, Samsonlike, if they pull down the Speaker's chair and the pillars of parliament along with it."

The simile may not have been inappropriate. It will be recalled that the temple which was torn down was a temple of evil men. It was a temple of the Philistines, not a temple of freedom like this House of Commons. It may be worth recalling also that Samson in that ultimate act of despair used his strength to relieve himself from the chains which bound him, Yes, the simile may not have been inappropriate.

Mr. Martin: He was defeated too.

Mr. Fulton: He destroyed his enemies.

Mr. Drew: The Minister of National Health and Welfare says, "He was defeated too." In that single remark the Minister of National Health and Welfare condemns this whole government. That is his estimate of their attitude toward this situation; it was not whether Samson was rightly chained or not; the people that had the power, according to him, had the right, and the man who tore down the evil things, according to the Minister of National Health and Welfare, lost too. I do not believe there is one hon. member on this side of the house who has been expressing his opinion in regard to this unhappy incident who would not far rather lose in a decent and honourable cause than win by the sheer use of force to which the government has appealed on this occasion.

The government has been poorly served by those who have sought to divert attention from the issue before us. The Minister of Finance (Mr. Harris) said that I had tried to argue in regard to the Speaker's ruling; that is not so. I had tried to be heard on a point of order, to point out that it was not the role of the Speaker to become counsel for the government and judge as well. I was denied a hearing, and so were other hon. members who sought to be heard.

Oh, we are told that when the Speaker is on his feet others cannot rise. That statement can only be made by those who do not know our rules or have not followed the proceedings in this house. Points of order are frequently raised while the Speaker is standing. If he deems it appropriate the Speaker resumes his seat and permits the point of order or the question of privilege, as the case may be, to be heard.

Unless it were possible for members to rise while the Speaker is standing, particularly when he is making some comment about the proceedings in this house, it would not be possible for any effective discussion of the rules of this house, and the procedure in this house, and the rights of members, to

take place. Certainly they have a right to rise while the Speaker is standing. It is true that they have not the right to rise to engage in an argument with the Speaker while he is standing. Nevertheless there is not an hon. member of this government or an hon. member opposite who has taken any part in the legitimate and proper debates of this house who has not seen many occasions where points of order or questions of privilege could be raised only by the person rising while the Speaker was standing. In that way the member indicates his intention to state the question when the Speaker resumes his seat.

Let it be said that on most occasions in the past the Speaker has acceded without question to the demand to be heard on a point of order or a question of privilege. It was only on this black Friday that has just passed, when he had taken the unprecedented course first of all in acting on behalf of the government in presenting a proposal and second in passing judgment without permitting hon. members to be heard, that he denied to any hon. member in this house the right to be heard. In an affront, not to members of parliament but to the people of Canada, he rang a bell which could have been the death knell of freedom unless there had been members here who were prepared to stand up for their rights on that occasion.

As we all know, every decision of that kind becomes a precedent embedded in the records. What a dreadful precedent to have established on this occasion. The Minister of Finance, referring to my statement that there had been newspaper criticism outside of this house before it arose here, professed his ignorance of any such criticism. Within the rules of this house, it is not possible for me to use terms appropriate to such a statement. I cannot believe that the minister does not read the newspapers. I cannot believe that he was unaware of criticism which had been levelled against the Speaker and the Chairman for conduct which had already aroused the indignation of certain members of the government as well.

The minister sought to convey the impression that if there had been criticism outside it was criticism prompted by what was said by the members of the opposition. Let him point to a single case where that criticism had been directed to the subject of the widespread criticism that was coming from outside because of the manner in which debates were being conducted here under the lengthy admonitions of the Speaker, under the unnecessary repetition of precedents to support his position at times when no member of the government had raised any question at all. It was then that the criticism came from outside, not from here. Even then we were prepared to hope that, as so often happens, this advice from outside might have its effect. Unfortunately, the Speaker did not heed the warnings.

The criticism that was made was not merely criticism as to the long and extraordinary statements being made by the Speaker; it was due to the fact that the Speaker was substituting himself for the government in raising issues which had not even been brought forward. That was the situation which finally came to a head.

Then the Minister of Finance has sought to interpret the statements made a week ago Thursday night as statements indicating that the Speaker was reserving his decision in regard to the admission of a motion which he himself had helped to frame and upon which debate had already taken place. There was no suggestion of any such thing. He had accepted the motion; he had emphasized the fact that before this house met he had already examined and carefully read one of the letters referred to by the hon. member for Nanaimo, who presented the motion, and that in his opinion this was not only a matter of privilege but of serious privilege. It was upon that basis that he accepted the motion.

May I make it clear? We are not speaking here about dissatisfaction with the Speaker's ruling. We are talking about the way in which the ruling was made. As I said in the opening remarks in support of this motion, we certainly would not present a motion of this kind simply because of what we thought had been a mistake on the part of the Speaker. What we were directing our criticism to was the way in which the Speaker made this ruling, and his conduct on Friday morning. That is the point that is before the house.

I know that it is not appropriate to quote newspaper editorials by way of argument in a manner that reflects upon the house. I would point out, however, that the Prime Minister and others who have spoken have used editorials, and to that extent I would certainly question the propriety of any denial at this time of the right to read an editorial or article relating to this subject. However, I shall qualify what I intend to say still more. I propose to read certain things that have appeared in the press, not as arguments but as an indication of what the impression is upon the minds of experienced observers. That is something which surely cannot be a matter which is of no concern to the members of this house.

Already reference has been made to an editorial appearing in the Winnipeg *Free Press* on Monday, June 4. I shall not repeat

that part which has already been read into the record. Whatever else may be said about the Winnipeg *Free Press*, it would not in the ordinary course of events be regarded as a newspaper whose leanings had been unduly toward the opposition. I should like to read that editorial simply to indicate what the attitude of responsible observers is in relation to what has taken place in this house, because, as I have already pointed out on an earlier occasion, this is the house of the people, and it is the people's rights that are at issue here. We as individuals are merely the servants of all those millions of Canadians whom collectively we represent on both sides of this house. In an editorial headed "Mr. Speaker", this is what the Winnipeg *Free Press* had to say on that occasion:

> That Mr. Speaker Beaudoin should be a casualty of the pipe-line debate at Ottawa is more than a personal tragedy. It is also a political disaster.
>
> The Canadian House of Commons has had few Speakers who have worked as hard and commanded such general respect as Mr. Beaudoin. The proper measure of him can be taken by asking this question: under how many Speakers would the House of Commons have got as far as it has, in the unprecedented circumstances of the pipe-line debate, before the opposition was stirred to censure the Speaker? What if Mr. Beaudoin had not started out with a great fund of goodwill? What if the opposition had not previously learned to respect both his impartiality and his great knowledge of the rules and precedents of parliament? The government's handling of the pipe-line bill could readily have created yet more chaos and bitterness, even sooner in the parliamentary proceedings, than it has.
>
> Respect for the Speaker is an essential lubricating oil in the functioning of parliament. When the machine is running so hot it is bound to burn some of that oil. The measure of Mr. Beaudoin's quality is that the asset was so large and survived rapid consumption for as long as it did.
>
> It is that which makes the personal tragedy of the censure motion of the Speaker so acute. Unfortunately, the painfulness of the tragedy does not lessen the hard reality of the political disaster. No opposition could have failed in the circumstances of last Friday, to declare its loss of confidence in the Speaker and move censure on him.

Then I omit the part that has already been read into the record and I continue reading from the same editorial:

> Whether the Speaker was right or wrong in his first decision is open to prolonged discussion, of little public interest. But it is perfectly plain that, by changing his mind over night, so greatly to the government's advantage, the Speaker becomes exposed to opposition suspicion of having yielded to government pressure. The opposition is fully entitled to act on the basis that its confidence in the Speaker's impartiality is completely destroyed. And without that confidence, the normal proceedings of parliament are impossible.
>
> Mr. Beaudoin in this is the unhappy victim of circumstances beyond his control. The government thought that a bulldozer was the right instrument to clear the path of the pipe line bill and learned too late that the result was in fact a chaos and bitterness in which probably no Speaker could achieve what parliament requires of him, because parliament is not meant to function this way.

Then, Mr. Speaker, I wish just to refer to another article which is not an editorial. It is an article by a man who is generally regarded as one of the most competent reporters and observers associated with any newspaper in Canada. I refer to Mr. I. Norman Smith, whose rewards for the quality of his reporting have won for him an enviable reputation not only in the newspaper field but in the sphere of letters as well. Let me read just a short quotation from what he said in an article to which reference has already been made and which appeared in the Ottawa *Journal* of June 4 under the title "They Tore Up a Part of My National Pride". Let is be remembered that the writer of this article was writing not as an editorial writer detached from the scene but as a reporter who had been in parliament and who was in the House of Commons at the time the events in question occurred. I quote from that article:

> Isn't it kinder to say that House Leader Harris was ignorant of what he was doing when several times he was so lacking in taste as to go up to the Speaker's chair and speak intently with that officer whose impartiality is anciently unapproachable? The Speaker and his rulings were under fire and question during all this time. Perhaps Mr. Harris wasn't giving him instructions; perhaps he was just asking where he was going for Christmas.
>
> But surely Mr. Harris must have been ignorant of the fact that for him to discuss Christmas or anything else with the Speaker at that particular time was to sully the Speaker and parliament and himself beyond the belief of any citizen sensitive to what parliamentary democracy means? "Get out of there!" cried out a Conservative member, but Mr. Harris saw no wrong and felt no discomfort—a state explained only by ignorance of a fairly high order, for instinct and institution were alike revolted.

I hear the Minister of Finance (Mr. Harris) laughing. A man who had that indictment presented by one of the most competent reporters in this country who sat in the gallery and saw what happened here is strangely unworthy of his responsibilities in this house if he can laugh at such an indictment.

Mr. Speaker, there was no question about the fact that messages were being passed. There was not an hon. member who did not see them; not one. There was not an hon. member who was not conscious of the atmosphere on Thursday night. There certainly was not an hon. member on Friday morning who was not conscious that it was the will of the government which had prevailed.

An hon. Member: Nonsense.

Mr. Drew: I wish to read also the words of another reporter. Again this is not an

editorial. It is from a report by a man who once again can be properly said not to have been unduly influenced by his close association with the Conservative party. This is an article by Mr. Douglas Leiterman which appeared in the Ottawa *Citizen* of Saturday, June 2, under the title "An Axe Flailing at the Root of Human Rights". Mr. Leiterman is a member of the press gallery who had observed what took place here in this house, with an opportunity to see what took place which is perhaps not afforded to all hon. members. Let me quote from that report:

> For you were witnessing not only the debasement of a proud and accomplished Speaker. Not only the irresponsibility of a sorely-tried opposition. Not only the indecent haste of a thoughtless government. You were witnessing the axe flailing at the root of human rights, and fear wrapped around you as you watched.
>
> Mr. Speaker Beaudoin had ruled honestly, according to his lights, the night before. The opposition had outmanoeuvred him, so resourcefully and so successfully that the pipe line bill was dangerously delayed.
>
> What happened, over night, no one will ever know. But from the opening Friday morning Mr. Speaker behaved like a man under the gun.

Then I pass over some part of the report and read this:

> Then the whirlwind. The Speaker, in carefully memorized phrases, proposed that all Thursday night's proceedings be wiped out; that the house go back to where it was at 5.15 p.m. Thursday. Why? Because he had made a "serious mistake" in everything he had done after that hour. The house was thunderstruck. It was a preposterous proposition. "Why not", demanded a member, "go back to last week, or last year?"
>
> Beaudoin wavered but Finance Minister Harris, alarmed at the Speaker's floundering, admonished him to get on with it. Stiffen your back, Rene, he said in effect. The Speaker stiffened.

Then I pass on to the closing paragraphs of this report written by Mr. Leiterman:

> What mattered was not that it was unfair, but that it was unjust, and unconstitutional. Mr. Speaker followed the rules until they got in the government's way. Then, he threw the rule book in the Ottawa river and proclaimed: "Let the house decide". That could only mean, "let the government decide", since the government controls the house. The rules, whose purpose is to protect the rights of parliament, ceased to protect. The oligarchy could do what it would—and it did.

Mr. Speaker, I have read those extracts from three highly responsible newspapers written by very responsible men who are highly trained observers. I did so, as I said before, so that the hon. members in this house might be fully aware of what the impression is outside of this house. Others could be read as well, equally critical—

Mr. Lesage: Or to the contrary.

Mr. Drew: —and equally damaging to the relationship between the Speaker and the house, but above all equally revealing as to the relationship between the Speaker and the government.

In his solemn oath of office the Speaker has sworn to serve parliament, to serve all the members. It is upon that clear duty that our whole concept of the parliamentary system has grown through the centuries as a result of trial and error. Break that sense of service to the whole house and you not only deny the possibility of the Speaker properly performing his duties, but you shatter the relationship between the house and the Speaker without which orderly debate cannot proceed.

The Minister of Finance made much of the fact that there had been numerous appeals against this Speaker's rulings in recent days. He made much of the fact that there had been few appeals on earlier occasions. Yes, it is true. The reason for those appeals was because—

Mr. Lesage: To kill time.

Mr. Drew: —it was only in those recent weeks that it became apparent that Mr. Speaker was not accepting his responsibility to the whole house but that the government was imposing its will to meet a deadline imposed by strangers to this house. What right was it of theirs what date saw the termination of a legitimate discussion on a subject proclaimed by the government itself as one of the most important ever to come before this house? What right was it of anyone outside of this house to impose terms and tell us when we must conclude our proper discussions of the affairs of the people of Canada? The Speaker's rulings were appealed because the Speaker was no longer making rulings consistent with the rules presented only last year by a committee of which he had been chairman. The words of these rules, clear words not open to misinterpretation, were twisted and distorted in their meaning. Again, there might have been criticism but not condemnation of this man if the Speaker had merely made a mistake in the interpretation of these rules.

The significant thing was that the misinterpretation of clear words, in English and in French, contained in those rules approved by this house served in every case the interests of the government in their demand that, no matter what happened, debate be terminated by a date that suited a United States controlled company about whose welfare they were so greatly concerned.

Today we heard a speech from the Minister of National Health and Welfare (Mr. Martin). Amongst other things he said the motion had not the slightest justification for presentation.

I have already read a statement made by a man who certainly would not be accused of any known sympathy for the Conservative party, except in this particular instance. May I at this point say that every Canadian should be proud of what has been said by the newspapers which have been openly associated with the Liberal party for many years. Never before in this country's history have we seen greater tribute to the real freedom of the press than has been expressed in relation to the incidents which have occurred in this house. We said at the outset of this debate that one of the reasons that we sought full opportunity to debate the measure that was before us in an orderly, unhampered way, was that one of the main functions of debate in this house was to shape public opinion outside through the thoughts and information gained from the press which reports what we do here.

We saw the valuable consequences of that relationship between the press and the public in the defence production debate last year. We saw the government finally bow, and graciously I concede, to the overwhelming demand of the people of Canada when they expressed opinions which were shaped and formed and reached by an examination of what they read in the press or heard over that other great medium of information, the radio. That was after weeks of debate. Unless every hon. member opposite felt that the Prime Minister had been wrong when he rose on the last day of that long debate last year and indicated what the government intended to do, then hon. members opposite should have been the first to say, "We wish to retain that evidence of democracy in action which we saw clearly expressed here in this house last year after the public had become informed as to what the facts actually were."

The Minister of National Health and Welfare (Mr. Martin) quoted a very great Speaker of the British House of Commons, Mr. Speaker Brand, seeking to justify the attitude of the Speaker in this house in refusing to hear anyone in regard to proceedings which he had undertaken on his own initiative, or rather on his own initiative so far as this house was concerned. The Minister of National Health and Welfare quoted Mr. Speaker Brand in this way: "I shall be justified if I refuse to call upon any more members to speak." What a difference, Mr. Speaker, what a difference between the two illustrations. There had been extended debate in the case when Mr. Speaker Brand made this decision; exercising the right he had as Speaker, he indicated he felt that he had heard enough in the debates that had already taken place in regard to the point of order that had been raised. It was only then, after hearing many speakers, that he said: "I shall be justified if I refuse to call upon any more members to speak." In this case, these words are not applicable. The Speaker, with no motion before him, with no pretence of a motion, because he cannot make a motion, and with no suggestion of a debate, because he is not allowed to participate in debate, made a decision contrary to every precedent and then refused, not to hear any more members, but to hear any members at all even to the extent of a single word.

This was no ordinary refusal. It was the effect of what he did that must be examined in considering the motion now before us. The effect of what he did was to remove the first roadblock in the way of the government's steamroller. There was still another. The other roadblock related to proceedings which had taken place between 5.15 of the day before and the time we met on Friday morning. It was necessary to remove that second roadblock. Then, the Speaker proceeded with something that has no precedent here or in any other parliamentary institution. Not a word had been said by any member of the government suggesting that this be done on that Friday morning. Nevertheless, the Speaker rose and said that he was going to put a proposal before us. That proposal was to strike out, for all practical purposes, everything that had happened between 5.15 on Thursday and the time we met on Friday morning. As it has been aptly described in the press, it became the day that never was. We then reverted by an unprecedented procedure to 5.15 the day before. Yes, as the Minister of National Health and Welfare has said, we can all make mistakes; we all do—that is, except the Prime Minister and the Minister of Finance. We all make mistakes. There would have been no serious objection if the Speaker had made a mistake. It was not the fact that there had been a mistake; it was the obvious purpose of that unprecedented action which we could not ignore, as has been so properly pointed out by the Winnipeg *Free Press.*

We would be derelict in our duty as members of the opposition, Mr. Speaker—might I go further and say hon. members opposite are derelict in their duty if they are unwilling to recognize the need for the restoration of the authority, the traditions and the responsibility of this house in a manner in keeping with the seriousness of what occurred. By that weird device for which there is to be found nowhere in any record even the pretence of a precedent, the second road block was removed and the steamroller moved on to its stated objective and the time limit set by those outside this house.

The Minister of National Health and Welfare, in quoting Mr. Speaker Brand, said, "If

that is not the most classical justification of the course followed by the Speaker I do not know where it could be found." There is not even the slightest hint of a similarity; there is not even the slightest hint of a suggestion. When the Speaker did raise the question of delay on Thursday night it was not delay—and the minister knows it—in regard to a ruling on the motion. He sought delay so that he could prepare a statement as to his position in relation to the example of what he regarded as serious prejudice. He had made his finding. He had not merely stated that he had read the letter; he said that it was a question of privilege and a most serious question of privilege. I am not going to argue as to whether he was right or wrong the night before. As has been pointed out, that is utterly unimportant. He had made his decision. The house had become seized of this matter and he had no right of any kind to withdraw that from the house. Certainly, he had no right to do so without hon. members being in a position to argue as to the merits of that course. It was not a case of arguing with the ruling; it was a case of dealing in appropriate terms with our rights. That, the Speaker refused. I repeat, the refusal must be examined in relation to its effect and not merely as an ordinary mistake.

The Minister of National Health and Welfare, for some reason in regard to which I am not clear, and I fancy no hon. member in this house is very clear about it, sought to convey the impression that I had introduced closure in the Ontario legislature. I moved the previous question. The Minister of National Health and Welfare knows perfectly well that the previous question has been moved frequently in this house. It was moved by the Minister of Finance last year in the defence production debate.

The Minister of Finance will recall that on that occasion there were a great many speeches after that motion had been put. The previous question does not deny debate; the previous question is merely a devise to prevent debate on other matters coming before the house before a vote is taken, that is all, and the Minister of Finance and the Minister of National Health and Welfare are well aware of that affect. The previous question permits debate to proceed in its normal manner. The previous question permits debates of the full length permitted by the rules of this house, not the limited debates of 20 minutes which are imposed under the closure motion.

Yes, I moved the previous question in Ontario; but the Minister of National Health and Welfare did not have to go to Ontario. I have moved the previous question here in this house; so have ministers of the crown on a number of occasions. It is something very different; and if that is the best evidence of any inconsistency on our part I would suggest that a little more research be done on this question.

The Minister of National Health and Welfare implied that there was something shameful about bringing this extraordinary situation to the attention of the house. These were the minister's words, or certainly the context of his words: What is shameful is that the members of this house will be called upon to make a decision. Well, I have already suggested to the Prime Minister a way by which he can avoid that decision which the Minister of National Health and Welfare regards as shameful. What is shameful about dealing with the destruction of the rules and traditions and practices and the established procedure of this house?

The Minister of National Health and Welfare referred to my statement that there had been criticism outside. He said that I had indicated there had been rumblings long before the debate arose. Yes, I am sure the minister is well aware of the criticism to which I referred. That was not related directly to any criticism in this house; it was related to the opinion of competent observers with regard to the proceedings which had taken place here, something that is not only the right but the duty of the press of this country, a free land.

Then the Minister of National Health and Welfare used words that should not be overlooked. He said that he did not know what standard of fairness prompted this course of slander by smear. If he wants to speak about shame, then let me say that is one of the most shameful statements I have ever heard in this house.

Mr. Martin: Would the hon. member permit me to point out I had clearly said that did not apply to the hon. gentleman who is now speaking. There was nothing in his speech that suggested impropriety. I was directing my remarks at that moment to the observations of the hon. member for Winnipeg North Centre.

Mr. Knowles: The words of the Leader of the Opposition apply.

Mr. Drew: I will simply say I believe the words I have just used apply with equal force if the minister's remarks were directed to the hon. member for Winnipeg North Centre, who has justified the high regard of the people of Canada for the fight he has waged for the rights of this house during the past three weeks.

The Minister of National Health and Welfare says that the very wording of the resolution is justification for not accepting it. The wording in the simplest and most moderate form describes exactly what took place here in this house last Friday, as the record will unfortunately show for just as long as the *Hansard* records of this house are read.

The minister asked, is reversal of a decision by the Speaker justification for such a motion? Is refusal to hear the members justification for this motion? No, and we never suggested that. What we have said and what I say now is that it was the reversal of a decision on his own initiative and without any precedent while at the same time refusing to hear any member of the opposition with regard to what he was doing. That is what we have said and that is what I say now.

The situation now before us is one which can be dealt with by this house. It is also one which can be dealt with by the government. This was no mere question of mistake. I said at the very outset we would never have thought of a motion of this kind that dealt only with a mistake in a ruling. I have indicated what was the impression of experienced reporters who observed this scene clearly, after they had witnessed the events of a week ago Thursday night and last Friday morning.

This is something that goes to the root of our continuing ability as members of a parliament with a government and an opposition. This is something that goes to the root of our ability to serve the people of Canada effectively here in this chamber. There can be a vote on a strictly partisan basis, as was indicated by the Minister of National Health and Welfare. I do not agree with him in that assessment. I do not agree this will be on a strictly partisan basis. I believe, however, it will be a vote which if it is taken, will divide this house in a manner that is wholly inconsistent with the relationship of the Speaker to the house if he is to serve the house as a whole.

As a minority we are not claiming the right or the ability to impose our will upon the government; nevertheless, in the most earnest terms I could employ I sought at the time I introduced this motion to impress upon the Prime Minister that something ugly has come into this house, that the relationship of hon. members to each other, the relationship of hon. members to the Chair, and the traditions, decency and standards of this house are all affected by what has occurred. I said then and I repeat now as I close these remarks that this parliament cannot be the same again. A government which was prepared to do what was done at the close of this house a week ago last Thursday and the opening on Friday morning, a government which is prepared to defend this action with the specious arguments we have heard, cannot again command that measure of confidence in this house which a government should command no matter what party may form it.

There will not again be a return to that easy relationship and mutual understanding which with all our differences is essential to the performance of our duties, until the people of Canada, whose house this is, have an opportunity to choose the members, which will be done with the full knowledge by those people of all that has occurred in this house. If that were done a new parliament might well start in with that relationship which is so necessary. What has happened unfortunately cannot be forgotten. A new parliament, however, need not be hampered by the unhappy precedents which have been established in these past few days.

The Prime Minister has it within his power to restore the dignity of parliament by assuring the house now that at an appropriate time which will permit him to attend the conference in London and to carry out the necessary duties of government in the meantime, he will dissolve this house and seek from the people a mandate for a new parliament to bring parliament itself into harmony with the will of the people. If the Prime Minister would do that then I am sure there would be ready acceptance on this side of the proposal that this debate be adjourned.

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker, I hesitate to draw attention to it, but when I hear laughter—

Mr. Brown (Essex West): On your own side.

Mr. Drew: —at a statement of that kind, may I say to the hon. member who sits on my own side that it was not from my own side of the house but from Liberals who sit to our right.

An hon. Member: Behind you.

An hon. Member: From the minister.

Mr. Drew: And from a minister as well.

Mr. Lesage: I did not laugh.

Mr. Drew: When we hear laughter of that kind, then we know just how much the supporters of this government have yet come to realize the extent to which the traditions of parliament have been injured and wounded and damaged by what has occurred here in this house.

The Prime Minister has a course open to him which will make it possible for the government to fully carry out its responsibilities. What has happened is the responsibility of the government. It is the government in the course it has followed that has led by one inevitable step after another to this unhappy position. Let the government deal with this in the way it should. In that way it can avoid the necessity of a division upon this motion, but not otherwise.

I hope the government will accept its responsibilities in a sense of duty to the people of Canada, whose servants we are, and to future generations of Canadians whose happiness, whose opportunities, and whose welfare will be determined by what we do here.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I waited until the hon. gentleman had finished, as Your Honour has directed, in order to draw attention to a question of privilege which he raised almost at the beginning of his remarks. As I apprehended his words, he said that at the opening of the session on June 1, when Your Honour made a ruling, I had led this house in bedlam, as would be shown from the records of *Hansard*. I have examined *Hansard* for June 1 and the first time my name occurs in it is at page 4546 where I answered a question on the orders of the day after the incident to which the hon. gentleman refers had taken place.

What is more, the hon. gentleman has presumed to quote—I do not question his right to do it in the circumstances of this debate—three distinguished journalists—

Mr. Drew: Mr. Speaker—

An hon. Member: That is not a question of privilege.

Mr. Pickersgill: —to support his charge.

An hon. Member: No.

An hon. Member: That is not a question of privilege.

Mr. Pickersgill: This is an allegation made against me personally and it seems to me that I should have an equal right to quote a brief extract from another distinguished journalist, Mr. Norman M. MacLeod.

Some hon. Members: Order.

An hon. Member: Sit down.

Mr. Knowles: The Speaker is on his feet.

Mr. Speaker: The Minister of Citizenship and Immigration may say that what was alleged by the Leader of the Opposition about his conduct is not true, but I do not think he can go beyond that to prove other statements emanating from outside this house that some of the remarks of the Leader of the Opposition are not founded on fact. I do not think he can go beyond the words necessary to state that what the Leader of the Opposition has said about him is not correct. See standing order 37.

Mr. Pickersgill: I state that what the Leader of the Opposition stated about my conduct is not correct. It was contrary to the truth. I was horrified by what happened.

Mr. Casselman: You should sit on this side and watch yourself.

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

YEAS

Messrs:

Barnett
Blair
Bryce
Cameron (Nanaimo)
Cardiff
Casselman
Charlton
Churchill
Drew
Dufresne
Fairclough, Mrs.
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Herridge
Hodgson
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
Michener
Monteith
Nowlan
Pearkes
Robinson (Bruce)
Rowe
Small
Stanton
Stewart (Winnipeg North)
Tustin
Winch
Zaplitny—35.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Brisson
Brown (Essex West)
Bruneau
Buchanan
Campney
Cardin
Caron
Carrick
Carter
Cloutier
Decore
Denis
Deschatelets
Deslieres
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gregg
Habel
Hanna
Hansell
Hardie
Harris
Healy
Henderson
Henry
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Low

Proposed Legislation

Lusby	Purdy
MacNaught	Quelch
McCann	Reinke
McCulloch (Pictou)	Richard (Ottawa East)
McDonald	Richardson
McIlraith	Roberge
McIvor	Robichaud
McLeod	Robinson (Simcoe East)
Mang	Rouleau
Marler	St. Laurent (Quebec East)
Matheson	Shipley, Mrs.
Meunier	Simmons
Michaud	Sinclair
Mitchell (Sudbury)	Stick
Monette	Thatcher
Nixon	Tucker
Pearson	Viau
Philpott	Villeneuve
Pickersgill	Weaver
Pinard	Weir
Pommer	Weselak
Power (St. John's West)	Wylie—109.
Proudfoot	
Prudham	

Mr. Martin: Mr. Speaker, I was paired with the hon. member for Cape Breton South (Mr. Gillis), who is ill. Had I voted, I would have voted against the motion.

Mr. Speaker: I declare the motion lost.

COMMITTEES OF THE HOUSE

STANDING ORDERS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. F. T. Fairey (for Mr. Harrison) moved that the second report of the standing committee on standing orders, presented to the house on May 28, be concurred in.

Motion agreed to.

ESTIMATES—RESEARCH—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa) moved:

That the name of Mr. Gillis be substituted for that of Mr. Knight; and

That the name of Mr. Barnett be substituted for that of Mr. Zaplitny; and

That the name of Mr. Gregg be substituted for that of Mr. McCann; and

That the name of Mr. Blanchette be substituted for that of Mr. Dupuis; and

That the name of Mr. Cannon be substituted for that of Mr. Macnaughton; and

That the name of Mr. Hollingworth be substituted for that of Mr. Enfield; and

That the name of Mr. Hanna be substituted for that of Mr. Beaudry; and

That the name of Mr. Nixon be substituted for that of Mr. Gauthier (Nickel Belt); and

That the name of Mr. Pommer be substituted for that of Mr. Viau; and

That the name of Mr. Starr be substituted for that of Mr. Nesbitt; and

That the name of Mr. Small be substituted for that of Mr. Monteith; and

That the name of Mr. Churchill be substituted for that of Mr. Pallett; and

That the name of Mr. Bell be substituted for that of Mr. White (Middlesex East); and

That the name of Mr. Hahn be substituted for that of Mr. Yuill, on the special committee on estimates; and

[Mr. Casselman.]

That the name of Mr. Hamilton (Notre Dame de Grace) be substituted for that of Mr. Brooks; and

That the name of Mr. Cameron (Nanaimo) be substituted for that of Mr. Coldwell, on the special committee on research.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, because we have previously indicated that we did not agree with this principle that ministers should be members of the committee on estimates when their departmental estimates are under consideration, I would ask that this motion be regarded as carried on division with respect to the name of Mr. Gregg.

Mr. Weir: Very good.

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

Some hon. Members: Carried.

Mr. Speaker: Carried on division.

POST OFFICE ACT

AMENDMENT WITH RESPECT TO TRANSFER OF CONTRACT

Hon. W. E. Harris (for the Postmaster General) moved the first reading of Bill No. 351 (from the Senate), to amend the Post Office Act.

Motion agreed to and bill read the first time.

LIVESTOCK AND LIVESTOCK PRODUCTS ACT

AMENDMENTS WITH RESPECT TO HATCHING EGGS, ETC.

Hon. W. E. Harris (for the Minister of Agriculture) moved the first reading of Bill No. 352 (from the Senate), to amend the Livestock and Livestock Products Act.

Motion agreed to and bill read the first time.

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING APPROVAL BY MINISTER, ETC.

Hon. W. E. Harris (for the Minister of Public Works) moved the first reading of Bill No. 388 (from the Senate), to amend the Navigable Waters Protection Act.

Motion agreed to and bill read the first time.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENT TO EXTEND APPLICATION TO THE YEARS 1957 AND 1958

Hon. George Prudham (Minister of Mines and Technical Surveys) moved that the house go into committee at the next sitting to consider the following resolution, which has

been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1957 and 1958.

Motion agreed to.

SUPREME COURT ACT

AMENDMENT TO PROVIDE FOR CHANGES IN CONNECTION WITH APPEALS, ETC.

Hon. Roch Pinard (for the Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Supreme Court Act and the Criminal Code to provide for certain changes in connection with appeals to the supreme court; and also to establish the office of deputy registrar of the supreme court.

Motion agreed to.

LABOUR CONDITIONS

REPORTED LAY-OFFS IN FARM IMPLEMENT AND AUTOMOTIVE INDUSTRIES

On the orders of the day:

Mr. Roland Michener (St. Paul's): May I direct a question to the Minister of Labour. Is the government developing any plans to deal with the present threatened unemployment due to lay-offs in the farm implement and automotive industries? If so, when will such plans be made known?

Hon. Milton F. Gregg (Minister of Labour): Well, Mr. Speaker, no specific plans directed toward absorbing the personnel being so laid off are being worked out, but I can tell my hon. friend that while it is unfortunate that skilled workers in that field may need to take other employment for the time being, nevertheless I am sure other employment will be available for most of them.

In the period since the middle of April down to about two or three weeks ago the number going off our application lists for employment across Canada has been almost a quarter of a million workers. The opportunities for employment are going to be quite numerous, and I hope those who are being laid off, not only in this industry but in others, will find the kind of employment that will carry them over. I can assure the house that our employment offices will work toward that end.

ALLEGED IMPORTATION OF UNITED STATES WELDERS INTO BRITISH COLUMBIA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I direct another question to the Minister of Labour. Complaints have been wired in from Vancouver to the effect that Westcoast Transmission Company Limited has brought in about 14 welders from the United States within the last two weeks to work on the pipe line from the Peace river, although there are approximately 80 qualified welders in Vancouver who are out of work. I wonder if the minister is aware of that situation, and if he can tell us whether anything can be done so these Canadians may get that work.

Hon. Milton F. Gregg (Minister of Labour): The hon. member's question the other day to my parliamentary assistant was reported to me, and on that as well as on the other information I have had, I have asked the commission for a report. I shall give it to the house just as soon as I get it.

Mr. Harold E. Winch (Vancouver East): May I ask a question of the Minister of Citizenship and Immigration. Has he in the past two months issued any permits to United States welders to enter the province of British Columbia to work on the same pipeline proposition?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I have no recollection of having done so, but I think it would be wise for me to make inquiries before giving a definite answer.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF FISHERIES

135. Departmental administration, $301,000.

Mr. Nowlan: When the committee rose many weeks ago there had been a great deal of comment on the first item and many questions were asked. I am not sure whether there are any hon. members who wish to speak on this now, but I assume the minister will want to deal with the matters raised or I suggest respectfully he should.

Mr. Sinclair: Mr. Chairman, as the hon. member for Digby-Annapolis-Kings has said, we have had two full days so far on the first item, and almost every member from a fishing area did speak on things concerning his riding.

I must start by thanking hon. members for the manner in which they have discussed the estimates of this department. The praise they gave will be most encouraging to the very

devoted officers of the Department of Fisheries who have done such a good job in conserving and developing our fisheries resources. The criticism will be a spur to me, as minister, to correct those things that hon. members feel should be improved upon.

Almost all the members who spoke touched on two or three main issues so far as fisheries were concerned. First and foremost was the matter of unemployment insurance for fishermen. This, of course, is a matter under my colleague the Minister of Labour, but my two colleagues the minister from Newfoundland, the Minister of Citizenship and Immigration and the minister from Nova Scotia, the Minister of Public Works, as well as myself, are keenly interested and hopeful that a way can be found to include the fishermen of Canada under the provisions of the Unemployment Insurance Act.

We have an interdepartmental committee working on this problem, and I think we have made quite good progress. I think it is fair to say that there would not be too much difficulty in bringing the British Columbia fishermen under the present act, mainly because British Columbia fishing is governed by fixed seasons, the length of which is set by the Department of Fisheries. So long as it is the intention not to pay unemployment insurance during the fishing season but merely for those who are unemployed outside the fishing season, it would not be too difficult.

It is a much more difficult problem in the maritime areas, where the major fisheries do not have fixed seasons. But we are hopeful we can come up with a satisfactory solution. We had a very helpful meeting with the officials of the big fishermen's unions on the west coast, who put forward their views on this matter.

The second matter discussed by almost every member from a coastal fishing riding was the matter of territorial waters. Almost all members seemed to agree with the fishermen and the fishing industry that the present three-mile limit is inadequate so far as conservation of our fisheries resources is concerned. The Fisheries Council of Canada and the fishermen's unions of Canada have supported an extension to at least 12 miles out, based on a straight base line drawn along our coast. As you know, this fall this whole problem is going to be the subject of a formal discussion at the United Nations, at which the Secretary of State for External Affairs will put forward the case which has been prepared.

The maritime members spoke about the very difficult problem of trawlers. The member for Digby-Annapolis-Kings especially raised it. The complaint results from the fact that we keep our own Canadian trawlers, our big ships, 12 miles out to sea and so preserve the 12-mile coastal zone for fishermen who use smaller boats, draggers and even smaller, so there will be no interference between the big ships and the smaller ships. Unfortunately, however, we have no way of preventing foreign trawlers from coming into the three-mile limit since that is our present territorial boundary. We do not have that problem in British Columbia or in Newfoundland; it is a maritime provinces problem. It is a very difficult thing to decide because of the fact the inshore fishermen are vociferous about keeping the big ships out so they have a fair chance at the inshore fisheries, and naturally the Canadian trawlers who are 12 miles out and who see Spanish, Portuguese and other foreign trawlers inside that limit feel a sense of injustice.

In Nova Scotia they had a royal commission on this question, and our present policy is pretty well based on the findings of that commission. I cannot see that there is any clear-cut opinion in the fishing industry of Nova Scotia today for a change in the present regulations. We hope that a satisfactory conclusion will be a change in the territorial waters which will keep foreign trawlers out. This of course will be dependent on the United Nations discussions this fall.

One other question which almost every member raised was the need for more public works in the fishing ridings; anchorages, wharves or floats. This, of course, comes under my colleague the Minister of Public Works. I do the best I can in putting forward these requests from the fishermen for improved facilities. The entire assets of most fishermen are tied up in their fishing boats and gear, so naturally they want to see these things protected as much as possible.

Turning from these general questions raised by almost every member to other questions raised by members, I think the hon. member for Digby-Annapolis-Kings, who led off in the debate, spoke with pride of the value of the fishing industry to Canadians. It amounts to over $200 million a year in market value. I heartily agree with him that it is a very important industry. It is a very scattered industry. I have calculated that there are over 40 constituencies where the fishing industry is an important industry. It is a great resource which we in Canada have done our best to husband, and I think we can look forward to a steadily increasing fishing industry in this country.

He and other maritime members emphasized the importance of not forgetting the importance of the cured fish and the salt-cured

industry of the maritime provinces. It is quite true we have had a very important development in the fresh and frozen fish industry, especially in fish sticks, and that is an added strength. I agree there is always going to be a need for a sound industry in the salted and cured fish of the maritimes. We are doing our best to encourage it. We do think it will be helpful to have a more diversified fishing industry, and not be totally dependent on markets in the Caribbean and Mediterranean.

The hon. member for Comox-Alberni raised a question of why we do not make more use of our herring as human food. We have a very large catch of herring. This season on the west coast we caught an all-time record of a quarter of a million tons, and our east coast catch added to that, which means that about one-third of our fisheries catch in Canada is herring. Less than 2 per cent of the west coast herring is used for food. There is a larger percentage of the east coast herring used in that way, but we do put more than 90 per cent of our herring into fish meal and oil through reduction plants. This is not lost as a food resource, because these are the principal ingredients of the things which are added to food for our cattle and poultry, and they have resulted in improvement in growth and size.

The fishermen's union of British Columbia asked me to visit Norway on my way to Russia last summer to see what the Norwegians were doing with their herring. They felt that there was a much greater use being made of herring. So I made inquiries, and found to my surprise that over 80 per cent of Norwegian herring is also made into fish meal and fish oil, so the answer is the same in both countries. Herring is a small and bony fish, and the actual labour needed to fillet herring for the market and put it in a form acceptable to the modern housewife makes the cost so high that it is no longer competitive with other fish foods. We do not lose the value of herring as fish food in using it the way we do. We certainly would like to encourage the development of other uses for herring. At the moment it seems the principal use is going to be for fish meal and fish oil.

The hon. member asked me about our scientific program in the north Pacific. Last year the Americans, the Japanese and ourselves covered the entire treaty area of the north Pacific with the first real hydrographic and fisheries survey. We gained a lot of knowledge last summer. We shall have 25 ships out there this summer, all helping in the work of trying to find out the migration routes of the salmon, trying to find out the exact dividing line between those salmon which return to our shores and those salmon which go to Siberian and Japanese streams. I was very much surprised last year to see the extent of the scientific work done by the Russians in their part of the Pacific. They are sending two of their scientists to the meeting of the north Pacific commission in Seattle this year, who will make a contribution in that field.

The hon. member also mentioned the difficulty between our Russian friends and our Japanese friends in the north Pacific last summer. Last month the Japanese and the Russians had a meeting in Moscow and agreed on a conservation treaty in the north Pacific, and have so stated. We have not yet got the particulars of it, but I am told it pretty well follows the pattern of our own three-nation north Pacific treaty.

The hon. member for Comox-Alberni also raised the question of the spawning forecast issued by our department, which would seem to indicate that we had lost quite a heavy brood of salmon eggs because of the floods in British Columbia last fall. That is so. It was an act of God about which we can do very little, but we have had very encouraging reports this spring. Our scientists have noticed the greatest seaward migration of sockeye salmon from the Adams river in all our history.

He asked whether Indians were eligible for loans under the Canadian Fisherman's Loan Act. That is a matter for decision pretty well by the bank managers. Indians are protected by law in many ways against being sued. Many of them have no real assets. Those who cannot obtain loans under this act, of course, have still the resources of the Indian affairs branch, which can make direct loans to Indians.

Then he asked what we were going to do when the great blast at Ripple Rock takes place to remove that obstacle to navigation. It will be at a time when the migratory fish, salmon and herring, are at a minimum. That is when the blast is scheduled to take place. There are no great numbers of ground fish in that area, mainly because the tidal sweep is so strong that ground fish do not hold their place. No doubt there will be some ground fish killed by the tremendous blast that will take place. They will come to the surface, and I am sure my hon. friend's constituents will be out there quickly to salvage as many of them as they can.

The hon. member for Burin-Burgeo commented on the place of the salt cod industry in Newfoundland, and indicated that the new plans were not the sole answer. He commented on the salt assistance program. He said it was a good program, but that the fishermen were required to fill out a form

which only a chartered accountant or a Rhodes scholar could understand. I am not a chartered accountant but I am the other. I must confess that I would have very great difficulty in filling out this form. Because of his observation I have given instructions to our officials to try to simplify this form for the benefit of the fishermen of the Atlantic provinces.

The hon. member for Nanaimo spoke of the great importance of fisheries in our history. In fact he said it was the search for fisheries that led to the discovery of Canada. In reading the recent biography of Sir John A. Macdonald I was impressed with how important the fisheries debates were in this house in the early days of our confederacy, and the negotiations in Washington between the United States and Britain which affected our fisheries, at which we were only bystanders. We have fortunately improved that situation since that day.

Then he raised a question which was novel to me, on the rights of the Indians in the Cowichan river with respect to their weirs. I had never heard of the weirs, but I found that our Indians up to 1939 did have their weirs on the side of the river, which was the only place in British Columbia where such weirs existed. It was in 1939 discussed at a meeting between the Indian band and the department and they agreed to abandon the weirs in return for the permission to use dip nets, spears and gaffs, which they have done quite satisfactorily.

Last season was a very poor season for chum salmon. It was a low run and some Indians had difficulty getting the number of salmon they usually get for food purposes for themselves, so blamed it on the lack of weirs. There is practically no limit on what Indians can take or how they take them as long as the salmon is for themselves or for their dogs.

The hon. member for Esquimalt-Saanich raised a point that he was very much bothered about, namely my refusal to accept the recommendations made by the international salmon commission that part of the Canadian fisheries area be completely closed. I gave the reasons why I had to do that at that time. Since that time the salmon commission have framed other regulations which are in keeping with the treaty passed in this house. I feel, from talking to members of the commission, that they think the time may be ripe to suggest changes in the treaty which, of course, will have to come before this parliament and the United States congress.

He raised one point which was very important to the work of our department. He turned to me and said that I should look at the beam in my own eye, because he felt our fisheries officers were not being paid enough. That is a feeling I have, too. I was glad to have his observations, because at that time I was conducting a very strenuous campaign with the chairman of the civil service commission about the status of our officers as compared with other departments. It was a battle which I am glad to say I won, and I thank him for his comments which I was able to show as being illustrative of the fact that on both sides it was believed there was need for remedy there.

We have, of course, a problem in British Columbia because of the higher wage rates in effect in industry there as compared with the maritime provinces. We have uniform pay rates for our fisheries officers across the country. I think in the maritimes this pay is quite attractive in comparison with industrial pay, but in British Columbia there are many who feel that they can make more money in industry or in fishing itself rather than accepting employment as fisheries officers.

The hon. member for Burnaby-Coquitlam raised the matter of our price support action a couple of years ago on bloaters from the Magdalen islands. He pointed out that we had sent salt cod to Korea and Greece, and that instead of condemning these bloaters and putting them into fish meal we should have sent them to the Congo or some depressed area. It is quite true we provided almost $1 million worth of salt cod after the earthquake in Greece and the war in Korea, but both these countries asked for salt cod. Salt fish is a staple of their diet.

These particular bloaters were a part of a very big catch in 1953. Bloaters have a very limited market. They are a very simple form of fish, a herring slightly salted and smoked whole. There is a limited market for them in Haiti and the Dominican Republic. The private industry had sold all their bloaters, but the co-operatives down there had held out for a market increase. There was a great drop in the market and they were unable to sell the bloaters without help for almost a year, and finally they asked for a price support.

Our price support program only relates to the fishermen themselves. We examined these bloaters. Those unfit for human consumption were destroyed. There were some not unfit for human consumption but they could not be sold to anybody because they were stiff and hard and crumbled into powder when touched. These we got at a very low price and turned over to the fish plant to be reduced

into fish meal. I do not think the people in Haiti, the Dominican Republic, Greece or Korea would have welcomed the bloaters, and the cost of transporting them there certainly would have been far more than the worth of the bloaters.

The hon. member for Charlotte raised the question of the suggested move of two sections of the St. Andrews research station to Halifax. The hon. member for Royal also raised the question. Since it has been before the house I have asked the fisheries research board to hold up any action on that proposal. I have appointed as an industrial member of the research board from New Brunswick the manager of one of the fish plants in Charlotte, Mr. Leigh Williamson, who is also the mayor of the city of St. Andrews, and I am sure he will put forward the reasons against making any alterations at the next meeting of the research board.

I think those are the major points that were raised on item 1. There are a number of other matters directly connected with other items, such as the vessel indemnity plan, which I think probably could be best answered on those items.

Mr. Nowlan: Mr. Chairman, I have just one question at the moment. The minister has referred to the problem of territorial waters. We realize this is a serious problem, one which has been before this committee now for several years, and which I am sure will be before it for some years yet to come.

When I raised the matter last year and asked the minister particularly with respect to the Curtis report which was to be submitted to the government, I think the record shows the answer I got at that time was that this report had not yet been studied by the government but it would be shortly and thereafter the report of the Curtis commission would be made available. I may be mistaken about this, but as far as I know the report has not yet been made available. I was wondering where that report is and if it now could be produced so we could study the situation further.

Mr. Sinclair: The report has been completed. It is in the Department of External Affairs. I do not know whether my colleague has prepared his submission to the United Nations for this fall, but I do not know of any reason why the actual Curtis report should not be made available. I have told my colleague of the undertaking I gave here in the house, and I am sure the report will be made available.

Mr. Nowlan: I hope the minister will take this matter up with the Secretary of State for External Affairs, because we were told last year it was in his hands and certainly this matter is going to go on for some considerable time. It seriously affects some constituencies because it is allied with the trawler problem, and it is one of very great importance to the fishermen in my own area. I am not going to pursue this matter further, but I would urge the Secretary of State for External Affairs when he takes the matter up at the United Nations to strive to achieve a little more action than we have had heretofore.

Mr. Barnett: I wish to bring a matter up for a little discussion while we are still on item 1 of these estimates. I did not have the time or opportunity to do so when we were considering these estimates earlier this year. The matter about which I am concerned relates to a problem which may have been brought to the attention of a number of hon. members of the house by the united fishermen and allied workers' union of British Columbia in respect to the problem which they feel they have in connection with having representatives or observers of their organization in attendance at meetings of the various international fisheries commissions.

I realize that one might say this comes within the purview of the Department of External Affairs; nevertheless I feel it is a matter which, like a number of other matters, is of active concern to the Department of Fisheries and to members who are concerned with fisheries problems. Certainly the lead which the present Minister of Fisheries has given in the matter of international treaties I think would bear out the fact that this is a matter which can be properly raised at this time.

I think one might as well state what is part of the problem in frank terms. Part of the problem arises out of the question of the passing of communists or alleged communists across the border which exists between Canada and the United States. Part of the grievance which the fishermen's union raised was in respect to the treatment some of their members have received in an attempt to cross the border. Quite frankly I have a great deal of sympathy for them in that particular problem, because I happen to have had a little experience on one or two occasions.

I shall not elaborate on the experiences in detail, but I remember one occasion in particular when I was attempting to cross the border as a delegate to attend an international union convention and certain circumstances developed which in my opinion were rather unfortunate. The most vivid recollection I have of that incident, as a matter of fact, is that one of our delegation who happened

to be a member of the Liberal party of Canada was subjected to a great deal of suspicion immediately the immigration officer discovered the membership card of the Liberal party in his wallet.

As I say, that problem is one aspect of this matter, and one which I agree is not primarily the concern of the Minister of Fisheries as such. Nevertheless I think perhaps the minister would agree that attending these meetings either as an observer or an adviser by those who from time to time are chosen to represent a body such as the united fishermen and allied workers' union is a legitimate desire on their part.

Quite frankly I do not know what the solution is, in so far as we in this house can have no jurisdiction over the regulations that are put into effect from time to time by the congress of the United States, other than the solution which the fishermen's union actually did propose in one of their communications. They suggested that arrangements should be made to hold these meetings either in Canada or at some place where citizens of both countries who enjoy the normal right of freedom of movement in their respective countries would be in a position to attend if they so desired.

I have almost come to the point of suggesting to the Minister of Fisheries that he might give serious consideration to erecting a building for the holding of meetings of international bodies on the border at the Peace Arch near Blaine, one-half of which could be on one side of the border and the other half on the other side of the border. In a situation of that kind naturally the citizens of both countries would be free to be in attendance. I think this is a matter that should be receiving some consideration, in view of the number of these international commissions which we now have in which both Canada and the United States participate. I would welcome any statement on this problem which the minister might feel like making.

Mr. Sinclair: As the hon. member has pointed out, this is a matter primarily for the Secretary of State for External Affairs. We have Canadian members on these international commissions, and since I have been minister I have appointed one commercial fisherman on each commission so the fishermen would have a direct voice in the commissions. We have never had any trouble whatsoever with members of the commissions travelling back and forth between countries.

In addition there are advisory committees whose members are nominated by the fishermen's union, the fisheries association, the vessel owners and other groups. It is true that on occasion certain members of these advisory committees which were picked by the fishermen's union have been stopped at the boundary on the ground that they were communists or communist sympathizers. I wrote to the union and pointed out that we have no direct control over what the United States do in the way of permitting entry into their country. I pointed out to the fishermen's union that only a fraction of one per cent of their members are communist, and therefore it should not be too hard when they know what barriers there are to choose able fishermen who are not under suspicion as being communists or communist supporters.

Mr. Barnett: Mr. Chairman, I agree with what the minister has said, but I still think we should recognize that any organization should have the right to conduct its own internal affairs and select any of its people to represent it. It should be possible to make arrangements so that can be done. Whether the minister or I may consider that a man is the best delegate the union could have chosen, that in fact is not our business. Perhaps some arrangement could be made to facilitate this movement in accordance with basic democratic principles with which I think both the minister and I agree. I pointed out earlier that a member of the political organization to which the minister belongs was under definite suspicion by a certain immigration officer. This would indicate that even with the best intentions an organization such as the united fishermen and allied workers' union might have difficulty in sending perhaps the most innocent of their members across the line.

Mr. Goode: Mr. Chairman, I doubt that this has very much to do with the Minister of Fisheries, but the matter has been allowed to be brought up on the floor of the committee and I want to comment briefly upon what the Minister of Fisheries has said. He represents my views entirely. I have a large fishing population in one part of my riding, and at Steveston in my riding is located the largest cannery in the British Empire.

I am at variance with the hon. member for Comox-Alberni. If I understood him rightly he said the united fishermen should be allowed to send delegates to other countries without difficulty. I want to take issue with him on that. This country has a responsibility in regard to those who are sent to other countries to represent us. As he knows and as the minister knows, if a representative of the united fishermen's union is chosen to go to another country it will be the secretary treasurer who ran against me in the last election as a labour progressive candidate. I hope the Minister of Fisheries and the Secretary of State for External Affairs will never

allow that person to represent Canada in any foreign country outside of those behind the iron curtain.

Mr. Barnett: I believe the hon. member for Burnaby-Richmond has put a slightly incorrect interpretation upon what I said.

Mr. Goode: If I did, I apologize.

Mr. Barnett: I was not suggesting to the Minister of Fisheries or to the minister of external affairs that we should assume the right to choose certain citizens of our country to be sent to other countries. All I was suggesting was that the minister canvass the possibility of arranging for these commissions to meet in Canada or in line with the suggestion which I put forward, not too seriously in its exact form but nevertheless with some seriousness as far as the principle involved is concerned, to make it possible for those who might be chosen from time to time to attend as advisers or observers on behalf of the union. The hon. member for Burnaby-Richmond has mentioned one particular member of the union and has referred to certain of his political activities. Let me make it clear at once that I am no more in agreement with the policies which that member espouses than is the hon. member for Burnaby-Richmond.

Mr. Goode: I am sure of that.

Mr. Ashbourne: Mr. Chairman, I had hoped to have spoken the first day the estimates of the Department of Fisheries were before the committee, but another hon. member was anxious to get away before we took up private and public bills that afternoon and I gave my place to him. The second day the estimates were before the committee I was on my way back from Newfoundland where I had attended a conference on northern Newfoundland affairs. I did not get back until Saturday morning, having been delayed. I had taken part in the conference during that week as it had opened on Tuesday and finished on Thursday.

I should like to draw a few points to the attention of the minister and I shall be very brief, as I did not know that these estimates were to come up this afternoon. We have heard quite a bit about the need for unemployment insurance for fishermen, and as the minister has mentioned this afternoon the fishermen are looking forward to having something done in their behalf in this regard.

There has been quite a decline in the volume of fish caught around Newfoundland during the past few years, and one reason is the lower earnings of fishermen as compared with the wages they can earn from carpentry and employment in other industries. There is a great demand for their services at the present time. The small catch is reflected in the amount of our exports to those countries to which we have habitually been forwarding codfish. That represents less money for our people. The fact that there has been a decline is quite evident, and I think steps should be taken to counteract this decline.

The granting of 50 per cent of the cost of salt last year has been greatly appreciated by the fishermen of Newfoundland, and we are glad to hear that this is to be continued for another year. Some of us were hoping that something might be done to encourage the making of more light salted fish rather than heavy salted fish. The markets of Italy and Brazil and also Spain have a preference for that kind of fish, the slack salted, hard dried fish. This granting of the 50 per cent of the value of the salt does not really tend to improve the total catch and the total production of the light salted fish. It rather helps in the way of encouraging the heavy salted type, and much of it, of course, has been going from Newfoundland to the Nova Scotia fish plants, where they have been drying this fish which they have been buying from the Newfoundland fishermen.

Last year I spoke about the need for encouraging a better cure for fish. I understood from the minister that he would make certain studies in that regard. I should like him to let the house know what have been the results of his studies in this regard, because I think it would definitely be of great advantage to give some positive inducement to the fishermen in order that they would make more light salted fish. If some inducement in that regard were offered to the fishermen, it would be a means of encouraging them to do that.

The only other matter to which I would like to draw the minister's attention at this time is that I consider something should be done to increase the number of cullers, who have to cull the salt cod which come in from the fishermen. It is no easy matter to stand up and pass judgment on the fish, but there have to be cullers. Whilst it is not a job that many people relish, because they are often called into question, I would suggest that a school be set up or some instruction be given to the younger men in order that they might be in a position where they could more easily grade the different qualities of fish that are presented to them. If the government took a step in this direction I think it would be very helpful to the industry.

Mr. Sinclair: I have short reports to make on both these matters when we come to the items concerned: item 162 on salt assistance,

and item 142 on fish inspection. I can speak at more length then and answer the points raised by both the hon. member for Grand Falls-White Bay-Labrador and the other Newfoundland member.

Item agreed to.

Items 136 and 137 agreed to.

138. Industrial development service, $590,000.

Mr. Nowlan: I notice that there is a very substantial reduction in the estimates for this year as compared with the year before, amounting to $385,000. This is the item dealing with the industrial development service. I wonder whether the minister could give us a word of explanation as to what is involved in this reduction.

Mr. Sinclair: The vote in the past two years covered our new experimental station at Valleyfield in Newfoundland. That is almost completed. I think most of the difference is due to that one big project.

Item agreed to.

Field services—

139. Field services administration, $768,470.

Mr. Nowlan: There are several questions that could be asked about item 139. That is the first item dealing generally with field services. I would be perfectly happy to have that carried now if it is understood that someone will make a more general comment on the field services on some future occasion.

Mr. Sinclair: Agreed.

Item agreed to.

Protection branch—

140. Operation and maintenance, $3,288,650.

Mr. Barnett: I rise at this point on a specific item which has to do, as I understand it, with the operation and maintenance of the protection branch. First of all let me say that I was very pleased to hear the minister's statement earlier, in referring to the remarks made on the first item by the hon. member for Esquimalt-Saanich, on the matter of the salary levels of some of his officials in the field, and I am glad that some adjustment has been made there. I was certainly in agreement with the remarks made by the hon. member for Esquimalt-Saanich earlier this year.

The other point I wish to raise is in connection with the field service officers of the department, and in particular with respect to the question of the patrolmen who are hired on a seasonal basis, as I understand it, every year. This question was brought to my attention during some of the travels in which I engaged during the last recess. It is in respect to what I understand to be a new regulation calling for the compulsory retirement of patrolmen at the age of 65.

I might state briefly that it was brought to my attention in one instance by one of the patrolmen. If it had been only a matter of that single instance I might not have considered it was a matter to raise at this time, but from other conversations I have had with fishermen and people who have a knowledge of the fisheries and the functioning of the protection service on the coast, it does appear to me that this compulsory retirement in all cases of the patrolmen at the age of 65—if that is actually the situation—is something which could very well militate against the effectiveness of the protection service which is maintained on the coast of British Columbia. The minister would probably agree with me that in many cases the patrolmen who are engaged by the department are senior fishermen who have had a good many years of active experience in the game of fishing, and in some cases according to anecdotes to which I have listened—

The Chairman: Order. It being five o'clock, we must proceed to the consideration of private and public bills.

Mr. Barnett: If I might just finish my sentence, Mr. Chairman, I was going to say—who had some experience in the problems of beating the game, as far as fisheries protection is concerned, in their earlier and more exuberant years.

Mr. Sinclair: Is that a recommendation for patrolmen?

Mr. Barnett: Perhaps for that reason they make very wise and efficient servants of the department when they assume the obligations of the department.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

Mr. Speaker: Private and public bills.

Mr. Harris: Mr. Speaker, it just occurred to me that it is possible the whole hour may not be taken up. I am not aware whether it is going to be taken up or not. If it is not, the committee might have leave to sit later this day, if that occurs.

Mr. Speaker: Is that proposal agreed to?

Some hon. Members: Agreed.

PRIVATE BILLS

MARITIME STOCK BREEDERS' ASSOCIATION

The house in committee on Bill No. 340, respecting the Maritime Stock Breeders' Association—Mr. Purdy—Mr. Applewhaite in the chair.

On clause 1—*Exhibitions.*

Mr. Weir: May we have an explanation of this bill? It is a rather important one, and I think there is a good deal of interest in it on the part of hon. members of the house. Is the sponsor of the bill going to say anything about these various sections.

Mr. Purdy: This is a bill amending the charter of the maritime stock breeders' association, which was passed by this house in 1922. I might say that the maritime stock breeders' association is the concern which sponsors the Maritime winter fair at Amherst in the constituency of my friend the hon. member for Cumberland.

The only change we are asking for is this. In the original incorporation the association was given the privilege of holding exhibitions of livestock. We are now asking, in addition to that, for the privilege of holding exhibitions of livestock, agricultural produce and any other products, goods or services produced on or for a farm, and also to make available its facilities for the purchase or sale of any such livestock or other such agricultural produce, products, goods or services.

The second clause is a new one. Formerly the association had not the power to borrow money. It is now seeking the power to borrow money in order that it may temporarily finance. Formerly the money was advanced by the directors. I might say that this is a great institution, bringing on the livestock in the maritime provinces which in a few years will be in active competition with the livestock from the wonderful province of Manitoba, in which is the constituency of the hon. gentleman who asked the question.

Mr. Weir: I thank the hon. member.

The Deputy Chairman: Shall clause 1 carry?

Mr. Pearkes: May I ask a question? Does this act refer to fur-bearing animals as well?

Mr. Purdy: If you call the hides of livestock fur, I suppose it does. Otherwise it does not.

Mr. Pearkes: That is no answer. I should like to know whether it applies to fur-bearing animals. There are many farmers who are engaged in the raising of fur for domestic purposes. There are fox farms, mink farms and that sort of thing. Are they included in the provisions of this act?

Mr. Purdy: May I just say this. It refers to exhibitions of livestock. My definition of livestock would hardly include fur-bearing animals. It might come under the definition of fur farms.

Mr. MacLean: The sponsor of the bill is of the opinion that it does not include fur-bearing animals. I have been at this exhibition at various times, and I may say that one of the most interesting exhibits is that of live mink. I believe they also have foxes, but I am not sure about that second exhibit. I would therefore think it might include fur-bearing animals as livestock.

Mr. Knowles: What about wolves?

Mr. Purdy: I can only say that I have attended this fair since it originated in 1900, and that I have never seen any mink exhibited and I have never seen foxes exhibited. They are a separate industry, as I would understand it.

Mr. Matheson: Mr. Chairman, I am sorry to disagree with my hon. friend from Truro. I have also attended this fair for some years. They have an excellent showing of foxes and an excellent showing of mink each year.

Mr. Nowlan: I can say that I have also been to this fair, Mr. Chairman. It is an excellent fair, in any event. Certainly what this association has done has been to promote its activities. Although this bill is subject to some scrutiny and some questioning here —that is proper on all bills, closure not having been invoked—I suggest that nevertheless it is an association which is doing good work in the maritime provinces. I hope it will commend itself to the support of hon. members.

Mr. Weir: I am entirely satisfied.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 189, to incorporate La Paix General Insurance Company of Canada.—Mr. Bourque.

Bill No. 255, to incorporate the Canadian Provincial Insurance Company.—Mr. Bourque.

Bill No. 301, to incorporate Grand Falls Central Railway Company Limited.—Mr. Ashbourne.

Bill No. 341, for the relief of Marcel Alban St. Amour.—Mr. Henderson.

Bill No. 342, for the relief of Grace Elizabeth Browning MacDonald.—Mr. Henderson.

Bill No. 343, for the relief of Mary Carol Devone Henry Scott.—Mr. Henderson.

Bill No. 344, for the relief of Stanley Mira Levene, otherwise known as Stanley Mira Francis.—Mr. Henderson.

Private Bills

Bill No. 345, for the relief of Alice Isabel Christian Thompson.—Mr. Henderson.

Bill No. 346, for the relief of Czarna Landzman Desmarais.—Mr. Henderson.

Bill No. 347, for the relief of Real Perras.—Mr. Henderson.

Bill No. 348, for the relief of Andrea Marietta Hiekisch Farago.—Mr. Henderson.

Bill No. 354, for the relief of Barbara Mary Elliott Priestley.—Mr. Henderson.

Bill No. 355, for the relief of Nancy Elizabeth Theresa Butler Waugh.—Mr. Henderson.

Bill No. 356, for the relief of Robert James Clarke.—Mr. Henderson.

Bill No. 357, for the relief of Veronica Rose Latter Haworth Robinson.—Mr. Henderson.

Bill No. 358, for the relief of Billie Mae Margaret Taylor Dennis.—Mr. Henderson.

Bill No. 359, for the relief of Naida Donnithorne St. James.—Mr. Henderson.

Bill No. 360, for the relief of Alma Elizabeth Mackie Wahlberg.—Mr. Henderson.

Bill No. 361, for the relief of William Maguire.—Mr. Henderson.

Bill No. 362, for the relief of Anne Perley-Robertson McNicoll.—Mr. Henderson.

Bill No. 363, for the relief of Colette Palardy Loranger.—Mr. Henderson.

Bill No. 364, for the relief of Esther Kathleen Hamilton Williamson Maynard.—Mr. Henderson.

Bill No. 365, for the relief of Helga Maria Berger Pilgrim.—Mr. Henderson.

Bill No. 366, for the relief of Ruth Carol Friedman Allen.—Mr. Henderson.

Bill No. 367, for the relief of Joseph Thomas Evans.—Mr. Henderson.

Bill No. 368, for the relief of Marie Jacqueline Carmen Van Troyen Morin.—Mr. Henderson.

Bill No. 369, for the relief of Hazel Wilhelmina Langtry Kimpton.—Mr. Henderson.

Bill No. 370, for the relief of Sergei Vermala.—Mr. Henderson.

Bill No. 371, for the relief of Stanley Tom Wood.—Mr. Henderson.

Bill No. 372, for the relief of Amelia Alice Stefani Schofield.—Mr. Henderson.

Bill No. 373, for the relief of Bridget Rowley McHale Bowman.—Mr. Henderson.

Bill No. 374, for the relief of Shirley Susan Morris Duggan.—Mr. Henderson.

Bill No. 375, for the relief of Maureen Evelyn Allison Cooper.—Mr. Henderson.

Bill No. 376, for the relief of William Windsor Frewen.—Mr. Henderson.

Bill No. 377, for the relief of Ethel Hansen Echlin.—Mr. Henderson.

[Mr. Weir.]

Bill No. 378, for the relief of Muriel Doreen Southall Fisher.—Mr. Henderson.

Bill No. 379, for the relief of Paulette Lavallee Plotkin.—Mr. Henderson.

Bill No. 381, for the relief of Peter Butler.—Mr. Henderson.

Bill No. 382, for the relief of Ivy Umilta Gooding Joseph.—Mr. Henderson.

Bill No. 383, for the relief of Margaret Lash Johnston.—Mr. Henderson.

Bill No. 384, for the relief of Ethel Simon Baroff.—Mr. Henderson.

Bill No. 385, for the relief of Golda Cohen Winter.—Mr. Henderson.

Bill No. 386, for the relief of Henriette Lessard Hughes.—Mr. Henderson.

Bill No. 387, for the relief of Ewart Ernest Clouston.—Mr. Henderson.

Bill No. 389, for the relief of Mary Ethel Irving Buchanan Simcox.—Mr. Henderson.

Bill No. 390, for the relief of Constance Catherine Mary Pilon Milmine.—Mr. Henderson.

Bill No. 391, for the relief of Joseph Henri Maurice Messier.—Mr. Henderson.

Bill No. 392, for the relief of Mildred Helena Seale Darker.—Mr. Henderson.

Bill No. 393, for the relief of Robert Alfred Price.—Mr. Henderson.

Bill No. 394, for the relief of Alfred Sevigny.—Mr. Henderson.

SECOND READINGS—SENATE BILLS

Bill No. 395, for the relief of Marie Therese Gerega St-Jacques.—Mr. Henderson.

Bill No. 396, for the relief of Julius Michael Cantor.—Mr. Henderson.

Bill No. 397, for the relief of Gerald Zelman.—Mr. Henderson.

Bill No. 398, for the relief of Lucille Viola Arthur Ward.—Mr. Henderson.

Bill No. 399, for the relief of May O'Connor MacKenzie.—Mr. Henderson.

Bill No. 400, for the relief of Rita Cleevely Scott.—Mr. Henderson.

Bill No. 401, for the relief of Leah Banfield Rideout.—Mr. Henderson.

Bill No. 402, for the relief of Margaret Isobel Gillespie MacKenzie.—Mr. Henderson.

Bill No. 403, for the relief of Edda Roehm Sackmann.—Mr. Henderson.

Bill No. 404, for the relief of Joseph Ernest Adrien Joly.—Mr. Henderson.

Bill No. 405, for the relief of Jacqueline Bussiere Sirois.—Mr. Henderson.

Bill No. 406, for the relief of Doris Elaine Cameron Gladwish.—Mr. Henderson.

Bill No. 407, for the relief of Myra Goodman Lobell.—Mr. Henderson.

Bill No. 408, for the relief of Jennie Zalezniak Wiseman.—Mr. Henderson.

Bill No. 409, for the relief of Phyllis Elizabeth Jardine Williams.—Mr. Henderson.

Bill No. 410, for the relief of Martha Hope MacDougall Fortier.—Mr. Henderson.

Bill No. 411, for the relief of Hugh Oliver Semper.—Mr. Henderson.

Bill No. 412, for the relief of Yvonne Elizabeth Thurgarland Brosseau.—Mr. Henderson.

Bill No. 413, for the relief of Hugh Lawrence Byers.—Mr. Henderson.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

The house resumed, from Friday, March 9, consideration of the motion of Mr. Knowles for the second reading of Bill No. 121, to amend the Canada Elections Act.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Before the mover of the bill closes the debate, if there are no other speakers I should like to say a few words on this matter. I have forgotten the date upon which we had this bill up for second reading, but it was many weeks ago.

Mr. Knowles: It was March 9.

Mr. Nowlan: At that time the Secretary of State (Mr. Pinard) spoke on this matter and presented certain facts to the house which I think are relevant, because I have had the opportunity of sitting on the committee of this house which has dealt with the elections act and proposed amendments over a period of six or seven years, ever since I have been in this house.

This matter contained in the proposed bill, or at least the important phase of it which is the matter of the advance polls, has been considered by that committee on various occasions. Evidence has been taken and views have been strongly presented, but in every case of which I have knowledge the committee has decided that it was not advisable to adopt this proposal.

I think many arguments could be advanced in its favour. I believe one of the things which many people overlook is the difference between our election act and the election acts of Great Britain and other parts of the commonwealth. As I understand it, we are the only part of the commonwealth which does not have a closed election list which enables them to be ready for an election at any time. You get your certificate that you are entitled to vote; therefore elections can be brought on very quickly and with very few complications. In our country, for reasons which apparently are justified because of conditions which prevail here, we have never adopted that practice. Our lists are prepared at election time and that involves a great deal of time and expense. Arguments which may apply in other jurisdictions with respect to this matter, therefore, I do suggest do not apply here.

Now, of course, it is very easy to argue, and it is desirable, that everyone be given an opportunity to vote no matter what the circumstances may be; that is the idea. It is perhaps difficult to argue against that. It is always difficult to argue against something which has a theoretical appeal. We all realize that people are deprived of a vote because of the fact that occasionally they have to be away. I think it is desirable that the elections committee of this house, when that committee is set up again, should consider, as was recommended as I recall it at our last session, enlarging to some extent the scope of the advance poll so as to give more people an opportunity to vote. In fact I believe that scope has been enlarged during the time I have served on the committee.

The proposal contained in this bill is to the effect that any person who signs a declaration that he intends to or thinks he will be away on election day, can vote at the advance poll. As I recall it, the Secretary of State put certain financial considerations on the record which I think should be considered by this house, although they are not definitive and should not be taken as absolute. The mere fact that it is going to cost the country something additional should not be the yardstick we use in deciding whether or not we are going to give people the vote. Nevertheless, it is somewhat of an important factor.

I have discussed this matter with the chief electoral officer, who is an official of the house, and as I recall it he told me, although I did not take time to look up the record, that in the last election we had 243 advance polls in Canada. If this bill is adopted the chief electoral officer assumes we would have to have one advance poll for every 5 polls in urban areas and one advance poll for every 15 polls in rural areas, or approximately 5,000 more advance polls. If we take the cost as it was the last time, $130 a poll, you will see that it means a substantial increase in cost to the treasury. As I say, it is only one factor, but it is one which we have to consider.

There is also the factor that you are going to have a miniature general election over a period of three days instead of one. At the

moment everyone knows pretty well who is entitled to vote at the advance poll. The classes are defined and you make your preparations accordingly, in so far as manning the polls is concerned by the chief electoral officer, as well as by the political parties who may or may not decide to be represented at those polls. If you are going to have a situation where anyone may come in and vote it is going to result in a miniature general election for a period of three days rather than one. I assume that would mean that the political parties would have to be represented at these polls.

Again that may or may not be a matter of expense, and as I say expense should not be the definitive factor in this question. It would mean extra expense in most ridings, certainly in the urban areas, though I think there are some rural areas where workers can be found on a voluntary basis and where they would be shocked at the thought of being paid for their services. But I am told there are many areas, and I can see the practice developing even in the rural areas in the maritimes which I think is reprehensible, where you have to pay people to work for a political party at election time.

In urban areas, if you have to employ agents and scrutineers for a period of three days instead of for the one day which is generally the practice, it means that at least this is going to aggravate the problem of getting candidates, running elections, and so forth. I think also it involves the fact that candidates would have to be nominated at least one week earlier than has been the practice heretofore.

That is what the chief electoral officer advised the committee a year ago, and I think we have to take his judgment on this because he is an experienced officer, and certainly a very fair one, and one whose judgment I am sure this house will accept. He says it involves the nomination of candidates for at least three weeks prior to an election rather than the two weeks which has prevailed heretofore. That may or may not be an important factor but, generally speaking, there has been the feeling that there has been difficulty in the past when political parties nominated candidates too early. That is another reason why I think one should consider this very carefully.

I think an important factor above all which hon. members should consider, particularly those from urban areas—and certainly it does not concern me because I come from a rural area—is that in an urban area you would have a situation where a person could vote on an advanced poll certificate. All he would have to do would be to sign a declaration that he thought he was going to be away on election day. The opportunities for impersonation are such that what may have happened in certain urban areas in the past will, to use a slang expression, seem like a Sunday school picnic compared with what will happen if this provision comes into effect.

I have heard these arguments pro and con over the past years. I have listened to evidence of various people dealing with the suggestion. The committee representing all parties in this house gave careful consideration to those representations, and in each case the committee decided by a very substantial majority that it was not in the public interest to enlarge the advance poll to the extent that is proposed in this bill, though recognizing the theoretical advisability of giving everyone a chance to vote.

Opposed to that would be the practical and mechanical difficulties, to say nothing of the cost, which could be imposed on the other side. In every case the committee has voted against this proposal. My own feeling, Mr. Speaker, is that the committee adopted the proper procedure on those occasions. As one who has gone through it in past years, I cannot support the bill at this time.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to say a word or two on this matter. I have had a little experience with elections, and I believe we should make it as easy as possible for people to cast their votes in our elections.

One criticism that is being made everywhere about democratic elections is that people are no longer interested in them. We cannot get the vote out. In municipal elections the number of voters is as small as 30 per cent. In my opinion we should do anything we can to make it easier for people to vote at an election without, of course, irregularities.

I am not greatly impressed with the argument of additional costs made by the hon. member for Digby-Annapolis-Kings. I have noticed that in almost every department of life when anything new is suggested there is always opposition to it. Once it is accepted nobody would think of doing away with it. The class of people who can vote at advance polls has been changed from time to time. At one time it was reserved for railroad men and commercial travellers. As hon. members know, a person can cease to be a commercial traveller, still be a member of the commercial travellers' association and carry his card in that association, and vote at an advance poll as long as he lives.

The number of people who may be away from their homes on election day is increasing

because of changes in our way of life. A few years ago very few people in this country, with the exception of professional and wealthy people, had holidays. Now almost everybody has holidays and they get them at different times. We found that because the last election was held at the time it was, a great many people were prevented from voting because they were away on holidays. We should use every means we can, with all the safeguards that are necessary, to make it easy for people to vote. If a man or woman knows that on election day he or she is going to be away and would like to cast a vote and takes steps to do that, we should look upon it as an indication of good citizenship and we should help that person to perform his or her good citizenship function.

I imagine at all elections, if voters know the right people, they can vote at an advance poll whether they fall within the class who vote at an advance poll or not. I am going to give a little incident that I have knowledge of myself because it happened to me. I shall not mention names or dates, because in agreeing to this I may have committed an offence under the Canada Elections Act. On the Friday night preceding the election a man called me up and said, "Angus, I would like to vote for you on Monday, but I am a contractor. I have a contract in Victoria and I have to be there. Is there any way by which I can vote at an advance poll?" I said, "No, there is not. There is no way by which you can legally vote at an advance poll, but I will give you a tip. You go to the headquarters of the Liberal party and tell them of your predicament but do not tell them whom you are going to vote for. Then call me up on Saturday night before you leave for Victoria and tell me how you got along". Well, he called me up on Saturday night and said, "I voted". I knew he would vote if I sent him to the right people. I did not ask him how he voted.

Mr. Pinard: Was he not a travelling salesman instead of a contractor?

Mr. MacInnis: I do not know what he was when he voted, but he was a contractor before and he was a contractor after he voted. What he was during the time he cast his vote is not material. We should use every means we can to get people to vote and to vote honestly. We should use every means we can to keep people from having to use subterfuges to perform their duties of citizenship.

The amendment proposed by the hon. member for Winnipeg North Centre may be too wide. Perhaps it is; I do not know. If it is too wide we should accept the principle sympathetically. If we cannot accept it today we should refer it to the next meeting of the elections committee, and I am quite sure that if we discuss it with the sympathy it deserves we shall increase the number of people who will be able to cast their ballots at advance polls because they will be away from their homes legitimately on election day.

Mr. Knowles: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when this bill was debated on March 9 the Secretary of State (Mr. Pinard), speaking for the government, indicated his opposition to the bill, though he did profess sympathy with my contention that it should be made possible for everyone who is on the voters' list to vote.

The arguments the Secretary of State advanced against the bill were mainly two. In the first place it was his view that if it were made possible for anyone whose name is on the voters' list to vote at the advance poll there might be a tendency for great numbers of people to vote at the advance poll and leave only 60 per cent or half the population to vote on the ordinary polling day. He felt that that would be injurious to the interest in general elections, and for that reason he was not sympathetic to the bill. He also indicated there were certain technical difficulties in connection with carrying out a procedure of this kind. It was mainly on those two grounds, if I remember correctly, that he felt the government could not accept the bill.

The hon. member for Nicolet-Yamaska also spoke in opposition to the bill, and as I recall it he echoed the sentiments expressed by the Secretary of State. He also expressed some surprise and perhaps concern over the fact that if this bill went through people simply going off on trips to Winnipeg would be able to vote before they left on such a desirable journey.

I should like to say, Mr. Speaker, that I think the Secretary of State put up a rather absurd argument when he suggested that a large percentage of people would vote at the advance poll even though they were not going to be away from home on election day. The reason I think that argument is absurd is that we already have universal voting at advance polls in a number of the provinces in this country. It happens in my home city of Winnipeg in the province of Manitoba in provincial elections, and although more people percentage-wise take advantage of that right than is the case in federal elections—because of the difference in the law—still the number is not great at all.

Mr. Pinard: That does not make the argument absurd, I believe; but it might well be that the situation would become such in a dominion general election.

Mr. Knowles: I think it is pretty difficult for the Secretary of State to argue from no known facts to the position he takes. I think it is much more logical to deduce what would happen from a parallel situation that already exists.

Mr. Pinard: But it does increase, does it not?

Mr. Knowles: No, and there are other hon. members from other provinces, as a matter of fact, who have expressed the same surprise at that argument. I do not think there is any question but that the general interest would be in the ordinary day of polling, the general election day. All we are asking for here is that those who find they have to be away from home for any reason be given the right to vote at an advance poll.

As to the technical difficulties in carrying out a matter of this kind, I recognize them readily. I did so, as a matter of fact, when I spoke in introducing the bill on second reading. I was able to indicate on that occasion, and express my appreciation in doing so, that I had assistance from two of our officials, the chief electoral officer and our parliamentary counsel, in the preparing of the bill. I take the responsibility for what is in the bill, but I did have their advice and assistance in putting it together, and I suggest that it does contain practical ways in which this principle of the right of anyone who has to be away to vote at the advance poll can be preserved.

Nevertheless, as I suggested when I moved second reading of the bill on March 9, these technical difficulties constitute the kind of details that can be discussed if this bill can have second reading and then be referred to a committee. In other words, Mr. Speaker, what we are dealing with at this point is the principle rather than the details of the bill, and the principle is very simple and clear; namely, that if we are going to have advance polls the right to vote at an advance poll should not be restricted to a limited category of people but should be extended to all who find they will be away from their homes on election day.

As to the point raised by the hon. member for Nicolet-Yamaska regarding people who go on trips, let there be no doubt about it, Mr. Speaker; one of the main reasons I have presented this bill and one of the main reasons it has support from certain sections of the community to which I shall refer in a moment, is because it is now true that more people have holidays than used to be the case.

It is also true that elections generally seem to come in the summer period. In recent years elections have been held in June or in August or in October, if we go back to 1935. I think it is generally recognized that barring some unexpected event that would force an election at an unexpected time, elections will continue to be held in the summer period. Let there be no secret about it; this bill is advanced partly in order that people who rightly go away on holidays might have the right to vote. Surely going away on a holiday is not a crime for which one should lose his right as a citizen to vote at a general election.

Mr. MacInnis: Legitimate business.

Mr. Knowles: Some people who go away can get back from their holidays, depending on how far away they are or how much money they have to spend to make the trip back home, but for a great many people that is impossible. We feel the citizens of the country should be entitled to vote even if a general election comes in the period they are away on holidays, and that is precisely one of the reasons for presenting this bill.

I shall not take further time to repeat the arguments I made in presenting the bill on March 9, for the obvious reason is that if a vote has to be taken I would not want to keep the house here past six o'clock, so I shall conclude with just this further comment.

Hon. members will recall that they have received, if their experience is similar to mine, quite a few letters in support of Bill No. 121 which is now before them, and I think they will recognize that these letters in the main have come from two types of organizations. They have come on the one hand from the Canadian Chamber of Commerce and from local chambers of commerce. They have come on the other hand from labour organizations. I think that makes it pretty clear this is the kind of bill that appeals to a cross section of the community, for surely if you take those who are represented by the Canadian Chamber of Commerce and those who are represented by the labour organizations of this country you have a very large section of the Canadian population. As hon. members are aware, these organizations have given their support to the principle of this bill and have urged that this house give it a favourable vote at this time.

As I say, Mr. Speaker, if the house agrees to the second reading of this bill it would then be my suggestion that it be referred for further study to the committee on privileges and elections.

My friend the hon. member for Vancouver-Kingsway has expressed surprise at my suggesting that it be referred to the committee on

privileges and elections. The reason for that, if I may say so to my colleague, is that the last time the Canada Elections Act was under consideration by a committee of the house, instead of a special committee being set up it was referred to the committee on privileges and elections.

Mr. Pinard: Was not a similar proposal studied at that time in the committee and voted down?

Mr. Knowles: Certainly. This bill was not before the committee, but the principle contained in the bill was considered in the committee. I believe it was on the motion of the hon. member for Dauphin.

Mr. Pinard: I just wanted to mention that because I would have thought it had been given full study at the time, and that was quite recently.

Mr. Knowles: Was it in this parliament?

Mr. Pinard: No, at the last revision.

Mr. Knowles: In other words it was previous to the election of 1953?

Mr. Pinard: No, at the previous session, I meant; it was considered during the revision of the act last year.

Mr. Knowles: May I say to the Secretary of State that sometimes Liberals make progress and accept the things they have been turning down across the years.

Mr. Pinard: Perhaps the same is true of my hon. friend and he might also change his mind.

Mr. Knowles: If the minister wants examples I can keep him here quite a while telling him of proposals which have been made from this corner of the house which were turned down year after year but eventually accepted by the government of the day. I believe the day will come when the wishes expressed by the Canadian Chamber of Commerce and by the labour organizations of this country will be accepted by parliament as a whole, and it will be enacted that the right to vote at advance polls in general elections should be extended not to just a few of our people but to all those entitled to vote. I hope the house will agree to the second reading of this bill.

Mr. Boisvert: May I ask a question of the hon. member? Would it not be possible that more people would vote at the advance polls than at the designated polls on polling day?

Mr. Knowles: I suppose it would be possible for the entire population to vote at the advance polls instead of on the general polling day, but if I may say so without offending my hon. friend, for I do not want to do that, I think the suggestion that that would happen is in the realm of absurdity. I do not think it would happen in a federal general election any more than it has happened in provincial general elections in my own province of Manitoba. I think the interest of our people would still be in the general election day, but at the same time this measure would remove one of the most serious grievances we come up against in every general election, when people come into the committee rooms of the various parties and into the headquarters of the returning officer wondering why it is that although there are advance polls no vote is available to them. The purpose of this bill is to correct that situation.

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

YEAS

Messrs:

Barnett	Knowles
Bryce	MacInnis
Cameron (Nanaimo)	Philpott
Hardie	Thatcher
Herridge	Trainor—11.
Jones	

NAYS

Messrs:

Anderson	Lavigne
Applewhaite	Leboe
Ashbourne	Leduc (Gatineau)
Bennett	Lesage
Boisvert	Low
Bourque	MacLean
Brown (Essex West)	MacNaught
Campney	McDonald
Cardiff	McIlraith
Caron	McIvor
Carrick	Matheson
Carter	Michaud
Charlton	Mitchell (Sudbury)
Churchill	Nixon
Drew	Nowlan
Dumas	Pearson
Eyre	Pickersgill
Fairclough, Mrs.	Pinard
Fairey	Power (St. John's West)
Fraser (St. John's East)	Proudfoot
Fulton	Prudham
Garland	Quelch
Gauthier (Lake St. John)	Reinke
Gauthier (Portneuf)	Richard (Ottawa East)
Goode	Richardson
Gourd (Chapleau)	Robinson (Bruce)
Gregg	St. Laurent (Quebec East)
Habel	Shipley, Mrs.
Hamilton (Notre Dame de Grace)	Stick
Hansell	Tucker
Harris	Viau
Henderson	Villeneuve
Huffman	Weaver
Johnston (Bow River)	Weir
Jutras	Weselak
Lafontaine	Wylie—73.
Langlois (Gaspe)	

Business of the House

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall take interim supply and, if that is passed, we shall take the resolution with respect to the Canadian National Railway Company financing, the resolution in the name of the Minister of National Defence with respect to the Defence Services Pension Act, etc., and second reading of the bill in my name in respect to the Tariff Board Act.

Mr. Drew: Could I ask the Prime Minister if he has yet reached a decision as to whether there will be an adjournment?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, it has not been possible to reach any decision since this morning.

Mr. Drew: I would point out simply, so the position may be clear, that to ask for one month's interim supply with the possibility of adjournment creates a situation which cannot be disregarded. We are not dealing with a normal situation, if there is one month's supply and then an adjournment for several months, and for that reason I think that in asking for any consideration of the procedure that should be adopted it is essential that we know exactly what the position will be.

Mr. St. Laurent (Quebec East): We could not suggest an adjournment after having obtained only one month's supply.

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

ANSWER TO QUESTION

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

VETERANS' TRAINING EXPENDITURES

Question No. 512—**Mr. Enfield:**

Question

During the fiscal year 1955-56, what sums of money were expended by the Department of Veterans Affairs in each departmental district for (a) university training under the Veterans Rehabilitation Act; (b) vocational training under the Veterans Rehabilitation Act; (c) training under the Children of War Dead (Educational Assistance) Act?

Answer by: **Mr. Bennett, Parliamentary Assistant, for the Minister of Veterans Affairs:**

D.V.A. district	Veterans Rehabilitation Act (a) university training	Veterans Rehabilitation Act (b) vocational training	(c) Children of War Dead (Education Assistance) Act
St. John's, Newfoundland	$ —	$ 2,637.42	$ 368.59
Charlottetown, P.E.I.	—	1,356.31	769.34
Halifax, N.S.	25,469.69	6,362.76	20,920.21
Saint John, N.B.	7,879.26	16,466.75	16,026.80
Quebec, P.Q.	2,866.43	4,520.11	2,023.55
Montreal, P.Q.	27,194.70	30,481.81	18,420.22
Ottawa, Ont.	9,159.88	783.39	9,166.50
Kingston, Ont.	7,080.89	1,243.49	8,370.84
Toronto, Ont.	31,136.50	28,551.11	38,193.26
Hamilton, Ont.	374.32	1,637.89	2,965.50
London, Ont.	5,519.97	12,906.75	15,730.43
North Bay, Ont.	—	1,257.22	300.00
Winnipeg, Man.	11,055.56	14,665.84	13,753.39
Regina, Sask.	77.65	3,492.14	475.03
Saskatoon, Sask.	9,069.55	837.61	5,740.24
Calgary, Alta.	960.98	7,959.22	1,592.00
Edmonton, Alta.	5,069.72	2,987.72	6,431.51
Vancouver, B.C.	33,215.11	25,563.13	21,240.57
Head Office (U.S.A.)	7,345.58	—	—
London, Eng.	3,853.06	284.20	—
Total	$187,328.85	$163,994.87	$182,487.98

[The following items were passed in committee of supply]:

DEPARTMENT OF FISHERIES

General services—

135. Departmental administration, $301,000.

136. Information and educational service, including grant of $3,000 to Nova Scotia fisheries exhibition, $174,465.

137. Markets and economics service, $253,450.

138. Industrial development service, $590,000.

Field services—

139. Field services administration, $768,470.

HOUSE OF COMMONS

Monday, June 11, 1956

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

INTERIM SUPPLY—STATEMENT AS TO COURSE TO BE FOLLOWED

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, in view of the question raised about the business of the house by hon. members opposite on Friday, I should like to make a brief statement which I hope will leave no doubt in the mind of any hon. member about the position of the government in asking at this time for one month's interim supply. Just before the house adjourned on Friday, I stated that the government could not suggest adjourning after having obtained only one month's supply. If one month's supply is granted at the present time, it would be our intention to proceed with the business of the session in the normal way, and before the end of June to ask for a further grant of interim supply and continue the session. In arranging the order of business the government would, as usual, consult hon. members opposite as to the most convenient way of bringing forward matters for debate.

COMMONWEALTH CONFERENCE

INQUIRY AS TO AGENDA AND DATE OF DEPARTURE OF PRIME MINISTER

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, can the Prime Minister inform the house as to the date of his departure for the conference, and whether he is in a position to inform us in regard to the agenda of that conference?

Right Hon. L. S. St. Laurent (Prime Minister): I intend to leave for London by plane on the evening of Friday the 22nd, I think it is. The agenda has not been formally determined. There are items which have been suggested, and I think generally regarded by those who will attend as proper items for the agenda for that kind of meeting, involving principally considerations of the world situation. There are different items relating to different areas of the world, and those are the items that have been suggested for consideration at the meeting.

[*Later:*]

On the orders of the day:

Mr. Fulton: May I ask the Prime Minister another question? Is he in a position to inform us now which of his cabinet colleagues he expects will accompany him to the conference. He mentioned just now that economic relations were not discussed; but I think I am correct in saying we had previously understood that the Minister of Finance might be going to the conference.

Mr. St. Laurent (Quebec East): Mr. Speaker, the Secretary of State for External Affairs has to be in both London and Paris two or three days before the conference, and he will be remaining over with me to attend the conference. It is not intended to have any of our other colleagues unless something special should arise, when either they might be called upon to send their views about it, or, if it became really desirable to do so, there might be some call upon them to join us.

EXTERNAL AFFAIRS

RUSSIA—REQUEST FOR TABLING OF LETTER FROM PREMIER BULGANIN

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Might I ask the Prime Minister if he is in a position to indicate any point of view the government may hold in regard to the communication which has been received from Marshal Bulganin? I should like to ask also if the communication from Marshal Bulganin could be tabled in the house?

Right Hon. L. S. St. Laurent (Prime Minister): Yes, I can confirm that a letter from Premier Bulganin was delivered to me by his excellency the ambassador last Friday morning. The letter is one covering the full text of the Soviet announcement made May 14 last concerning the reduction in the level of Soviet armed forces.

I think there has been publication of, if not the covering letters, the memorandum of May 14, which concerned the reduction in the level of the Soviet armed forces. I certainly see no objection to tabling those letters and I shall ascertain whether there would be any discourtesy, of which of course no hon. member would want us to be guilty, in tabling them in the house, but I do not think there can be any question about that.

Inquiries of the Ministry

REQUEST FOR STATEMENT ON DISCUSSIONS WITH EARL OF HOME

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in the absence of the Secretary of State for External Affairs, perhaps I should direct my question to the Prime Minister. I should like to ask whether any announcement or statement can be made to the house as to the matters which were discussed between the government and the Earl of Home, Secretary of State for Commonwealth Relations in the United Kingdom government, on the occasion of his recent visit? If so, what were the results of those discussions?

Right Hon. L. S. St. Laurent (Prime Minister): Well, Mr. Speaker, I can say in a general way that there was a very friendly discussion of matters which are giving all governments of the free world concern at the present time. I think that is as far as I should go at this moment without referring to the Department of External Affairs. I had a very interesting conversation with the Earl of Home, and the Secretary of State for External Affairs was with me at that time. We did exchange some views about the forthcoming prime ministers' meeting and about other matters. Economic matters were not discussed at that meeting. I shall ascertain from the Department of External Affairs whether there is any memorandum. I know the Earl of Home saw several of my colleagues as well as myself, and I shall ascertain from the Department of External Affairs whether a summary or a memorandum was drawn up after those discussions.

SHIPPING

GREAT LAKES—LICENSING OF SMALL BOATS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Transport. Some few days ago I addressed a question to the hon. gentleman requesting information as to the announcement made by a senior official of the department at Toronto, Ontario, with respect to the lake Ontario search and rescue organization. Has the minister any comment to make at this time?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, following the inquiries which the hon. gentleman made, I in turn made some inquiries in my department and found that the remarks which were made by an official of my department were made during the course of a general discussion about conditions on lake Ontario. The account I have had of the matter shows that the official was not delivering a speech or an address; he merely gave some information which I think the hon. member will find is covered by the proposed amendments to the Canada Shipping Act which are now before the House of Commons.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO TABLING OF AGREEMENTS

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, will the Minister of Trade and Commerce table the agreement or agreements made with Trans-Canada Pipe Lines Limited last week. I can find no record of their having been tabled as yet.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, Mr. Speaker, I had thought that they had been tabled but I will have an examination made and if there are any documents that have not been tabled I will see that they are tabled at once.

PUBLIC SERVICE

DEFENCE RESEARCH BOARD—INCREASE IN WORK WEEK OF SECURITY GUARDS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on May 24 last, the hon. member for Hamilton West (Mrs. Fairclough) asked about an increase in working hours for certain security guards employed by the defence research board. I take it that her reference was to a small number of security guards employed by the defence research board at headquarters and in the Daly annex building.

Under the National Defence Act employees of the board do not come under the Civil Service Act, but whenever their working conditions run parallel to civil service regulations, the board can extend to such employees benefits accruing to civil servants of similar classifications.

The guards referred to by the hon. lady are classified by the board as watchmen, and civil servants in the classification of watchmen or security supervisors are required under present regulations to work a 48-hour week.

Consequently, when new civil service rates of pay were being worked out recently, the board undertook to readjust the working conditions of these watchmen to the same basis as that for watchmen in other government establishments in this area. This meant an increase in pay as from April 1 last and

this was followed by an adjustment of shifts to bring these employees on to a 48-hour week.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to address a supplementary question to the minister. Is it not true that the increase in pay which they received was merely the statutory increase or the regular increase which was given to all civil servants at that time? Despite this fact, I understand that these people had their work week increased from I think 42½ hours to 48 hours for which additional time they received no compensation.

Mr. Campney: That is true, Mr. Speaker, and I would make two observations about it. One is that these people are not under the civil service commission and therefore are not in that sense civil servants. The second point is that we are hopeful we will be able to obtain a civil service classification for watchmen more suitable than the present classification which would make up for some of the discrepancy.

LABOUR CONDITIONS

REPORTED STRIKE ON STEAMSHIP "PRINCESS HELENE"

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, may I direct a question to the Minister of Labour and in his absence to his parliamentary assistant. Has the attention of the department been drawn to the fact that a strike is proposed on the *Princess Helene* steamer connecting Nova Scotia with New Brunswick on June 16? If so, and in view of the disastrous consequences which flowed from such strikes last fall, would the minister be able to tell the house what is being done to avoid it?

Hon. W. E. Harris (Minister of Finance): Well, Mr. Speaker, I shall see that an answer is given to my hon. friend as soon as possible.

ALLEGED IMPORTATION OF UNITED STATES WELDERS INTO BRITISH COLUMBIA

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Labour and in his absence to his parliamentary assistant and perhaps also to the Minister of Citizenship and Immigration.

Can they inform the house what the situation is in the province of British Columbia with regard to the importation of welders into that province for work on the pipe line that is now being constructed in that area, when there are Canadian welders available who are fully qualified and unemployed?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, when the hon. gentleman asked his questions the other day I directed the department to make inquiries as soon as possible but I suppose because of the five-day week I have not received a report. In fact I inquired about two minutes before coming into the house. I hope to be able to give the hon. gentleman an answer, possibly even later today.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

INTERIM SUPPLY

Mr. Harris moved:

That a sum not exceeding $264,409,639.92 being one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1957, laid before the House of Commons at the present session of parliament; and in addition thereto, a sum not exceeding $652,148.34 being one-twelfth of the total of the amounts of items 212, 213, 214, 216, 222, 228 of the said estimates and a sum not exceeding $36,506,378.25 being one-fourth of the total of the amounts of items set forth in the supplementary estimates for the fiscal year ending March 31, 1957, be granted to Her Majesty on account of the fiscal year ending March 31, 1957.

He said: Mr. Chairman, this resolution asks that the house vote a sum which is one-twelfth of the items of the main estimates for the fiscal year, with an additional one-twelfth of six special items in those main estimates to provide for services of a seasonal nature on which the heaviest payments fall due in the early part of the year—these items will be set out in the schedule to the bill—and also one-quarter of all the items in the supplementary estimates which were tabled the other day.

The general proportions of one-twelfth and one-quarter of the main and supplementary estimates are intended to provide for all necessary ordinary requirements to the end of June. The higher proportion for the supplementary estimates will effect the release of the same proportion of those estimates as will be released for the main estimates by the appropriation bill No. 1, that is one-sixth of the main estimates.

The additional proportion requested is for certain special items of a kind for which it has been usual to request an additional proportion at this time. This is to meet the seasonal requirements of certain services which send out field survey parties during the spring and early summer. In no instance is the total of any item being released.

The passing of the bill which will be founded on this resolution will not prejudice the rights and privileges of hon. members to criticize and discuss any items in the estimates which will come up for consideration throughout the balance of the session, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Drew: Mr. Chairman, the request for interim supply usually raises no question because of the undertaking that is given by the Minister of Finance in the ordinary course of events in terms similar to those which have been stated today. Naturally there has been a good deal of speculation as to what would happen at this time in view of the circumstances in which we find ourselves. Normally there is no question raised. In fact I believe that there has been only one instance in the history of the House of Commons where there has been any delay and it would appear that the delay on that occasion was through inadvertence rather than for any other reason.

However, the circumstances in this case are not normal. We have indicated clearly that so far as we are concerned our attitude toward the management of the business of the country by the government has not in any way been changed by the disposition of the debate which was before us. I hope we have made it equally clear that the lack of confidence we expressed in the Speaker and the Deputy Speaker was not something to be disposed of by the mere passage of the measure which had been under consideration at the time we were called upon to express that lack of confidence.

The situation with which we are confronted is not going to be affected during the course of the present parliament by a mere passage of time. The things that have occurred are too fundamental in their effect upon our parliamentary system to be forgotten. This is not a case of letting bygones be bygones. To our great regret, the relationship of the Speaker and the Deputy Speaker has become inconsistent with our traditions in this house, so far as their relationship with the full membership of the house is concerned. It is for that reason that we would still express the hope that the government would have the courage to follow the honourable course and to dissolve this parliament and permit the early election of a new parliament which would be in harmony with the sentiments of the people of Canada, who now have knowledge of the whole situation.

Some hon. Members: Hear, hear.

Mr. Drew: I should hope that we should have the assurance that, after the appropriate disposition of business in this house, the Prime Minister would take the constitutional steps to obtain dissolution and permit the people to express their opinion on what has happened here. I leave that request before the Prime Minister. I believe it is a request which in no way becomes diminished in its force by lapse of time. On the contrary, each day that passes gives greater force to the need for the expression of that opinion by our people.

In the meantime, however, we are now called upon to deal with the motion for interim supply. What has happened here is typical of the way in which the business of this country is being done. It is now June 11; the last interim supply motion provided supply until May 31. It is in keeping with the attitude of this government to the house and to the people of Canada that it should now come before us on June 11 to ask that there be further funds advanced to meet the requirements, which are now extremely urgent.

It is altogether likely that the cheques have already been prepared and are ready to be sent out for the payments due on June 15. That is the way in which this house has become accustomed to be treated by this government. It should be remembered, however, that it is the people of Canada that are being treated in this way. This is typical of the way in which time limits are set and the ordinary opportunities to examine curtailed by the severe restriction of time.

It is only natural that there should have been discussion in the press and elsewhere as to what would happen to the very large number of civil servants, members of the armed forces and others whose cheques are dependent upon the voting of interim supply. In waiting until June 11 to present this motion for interim supply, the government showed scant concern for the civil servants, the members of the armed forces or others who work for pay. Everything has been subordinated to the determination of the government to ram the pipe line bill down the throats of this parliament and the people of Canada. Everything else has been set aside, no matter how urgent or important it was. Merely one example in addition to what we now have before us will serve to indicate the way that all other important business has been held in a state of suspense by the compelling demand of this government that they meet a time limit set by the

company which has received such concern and consideration from the government during the past weeks.

That other subject is national defence. Nearly half the money that is collected from the taxpayers of Canada goes either directly or indirectly into the vitally important requirements of national defence. It is now more than five months since this session began on January 10 and there has been no discussion of any kind of national defence. During the current sessions of the various legislative bodies of Britain, the United States and Russia, as well as other countries whose activities are important at this time, there has been an examination of national defence and there has been an extensive reorganization of the national defence forces.

As early as December 21 the members of the House of Commons in Britain were informed regarding the nature of the reorganization that was to take place there, including a reduction of the armed forces, a streamlining of the organization and a general modernization of the whole concept of national defence. The same has taken place in the United States where sweeping reorganization has taken place for the strengthening and improving of their defence forces with a smaller number of men. More recently still the same thing has taken place in Russia. So far as we are concerned, this subject has not been before us and the item for national defence has not even been called yet as one of the items that could be brought before the house for discussion in the consideration of estimates.

That is typical of the way that the government has been marking time while it sought by every device first to bring its own members into line and then to impose the will of the government upon this house. There might be many reasons for us to indicate our very strong conviction that the government no longer has any reason to be offered evidence of confidence by the members of this house or the people of Canada. However, the fact remains that what is now before us is the provision of one-twelfth of the amount of money that will be required in any event. We have the assurance of the Prime Minister that business is going to proceed in its ordinary way and that we will have the opportunity to examine the estimates as we should.

The reason I asked the questions I did on Thursday and on Friday was that there were reports coming from what would ordinarily be regarded as very reliable sources to the effect that there was to be an adjournment during the summer months. We certainly would not have agreed to any suspension of the activities of this house at a time when such important business as national defence, national health and other matters of that kind were to be discussed here in the House of Commons. All the important departments that are still to be brought before the house should be examined with the utmost care.

We now have the answer we sought last week, and are told that the business will proceed. In any event we had no thought, and we have no thought, of permitting the civil servants, the members of the armed forces and others to be made the victims of this government's misconduct. We shall, therefore, consent in the usual way to interim supply on the basis of the assurance given by the Minister of Finance and on the basis of the assurance given by the Prime Minister that the business of this house will proceed to its termination in the usual way without interruption.

I hope that the future business of this session, for whatever length of time it may last, will be conducted on a more businesslike basis. I hope that when any request is going to be made which calls for the consideration of supply or other matters, it will be brought forward in time to consider it without being confronted with deadlines which would limit in any way the normal process of debate.

Before I conclude these remarks, Mr. Chairman, may I express the hope that the government will not again cause the concern, and very natural concern, in the minds of the civil servants, members of the armed forces and others which they have aroused on this occasion by the way in which they forgot the interests of these people and subordinated their duty to these public servants in the way that they have on this occasion, particularly for the purpose for which it was done. I would hope that we will have ample opportunity to deal with every item in the same way that we have on other occasions in the past. I would hope that there would be no thought in the minds of civil servants that the sword of Damocles is hanging over their heads and that they must depend on the whims of this government for adequate consideration of their requirements as they have at this time.

Now, Mr. Chairman, I have indicated that we shall follow the course that we would follow ordinarily. We shall look forward to an early opportunity to deal with the important items that require consideration, and we shall proceed as rapidly as possible to permit interim supply to be adopted. I repeat my request however, that as we do this we recall that this is merely one more example of the way in which the government has disregarded the rights of parliament, the rights of civil servants and others employed by the government, and above all the rights of the people

of Canada. It is hoped that the government will recognize the situation with which we are now confronted in this house and will not impose upon the Speaker and Deputy Speaker, a task with which they should not be confronted because of the actions of the government. I do hope the government will proceed with the business, and at the same time give us the assurance that this whole unhappy atmosphere will be cleared up by the constitutional procedure that can be followed, and that the people of Canada will have the right to choose the kind of parliament they want.

Mr. Knowles: It is still our view, Mr. Chairman, that there is one honourable way in which this government can obtain the supply that is necessary in order to meet civil servants' salaries and other payments due on Friday of this week. This honourable way has been suggested by the Leader of the Opposition, namely that the government should indicate to the house its readiness to dissolve this parliament at an early date and call a general election. If that proposal were made to this house we would have no hesitation in granting whatever number of months' interim supply is necessary to carry on the business of government until a new parliament should meet.

Let me say again, Mr. Chairman, that this group still feels that the government of the day has lost the confidence of the people of this country. It may be possible for the government still to muster a majority vote in the House of Commons, which was elected nearly three years ago. We believe, however, that particularly as a result of what has been done to parliament in recent weeks, this government does not possess the confidence of the people of Canada. Because it does not possess that confidence, a fact which arises because of its own actions in parliament, we say that the government does not have the moral authority to come before parliament today and ask interim supply in the normal way; in other words, to ask parliament to allow it to carry on just as if nothing had happened.

Supply has ended. The civil servants must be paid. Other bills must be met. These very necessities add, we feel, to the insistence that what we should be told at this time by the government is that it is prepared to dissolve this parliament and call a general election. We would be quite prepared for the date of dissolution to be put off whatever number of weeks might be necessary for such important business as is before parliament to be concluded, and indeed for the estimates to be concluded in the normal way. But we feel very strongly that this government does not possess the moral authority, nor does this parliament possess the authority necessary to carry on, in view of what has been done to it by the government, and dissolution is the only answer to the situation.

I quite understand the conclusion to which the Leader of the Opposition has come, but I confess that it is not in my heart to give such ready consent, in terms of letting things go through quickly, to a government that has done to parliament what this House of Commons has suffered during the past few weeks. What parliament does with the request of the government will, of course, be up to the members of this house. But I repeat that in our view the government does not have the moral authority to make the request that has been presented to us. Actually the Prime Minister and the government should reconsider the making of this request. It is obvious the government is hoping that in some way we will let bygones be bygones and that in some way time will heal the wounds, and the government will be enabled to rehabilitate its position before it has to go to the people of this country. We do not think that is the honourable way to deal with this situation. We think that moral standards call for something much better than that.

So far as the relationship between the House of Commons and the government is concerned I am reminded of what Durell has to say in his book "Parliamentary Grants", on page 4, where I read:

> It is, indeed, ultimately to the power of the purse, to its power to bring the whole executive machinery of the country to a standstill, that the House of Commons owes its control over the executive. That is the fountain and origin of its historical victories over the other organs of the state; and since that power was recognized and confirmed towards the end of the 17th century, the House of Commons has remained, whether reformed or unreformed, whether corrupt or incorrupt, the chief arbiter of the national destinies.

That is the position this House of Commons is in this afternoon. We have an executive in whom we believe the people of Canada have no confidence, making a request to us, which is more than a request just for the salaries of civil servants, but rather is a request that we permit this government to carry on in the normal way. Out of concern for the position of civil servants and in view of the position that the Leader of the Opposition has taken, we may have to grant such supply as is necessary to pay those salaries. In my own mind I am not sure just what is the right thing for an opposition to do in a situation like this,

particularly after what the Leader of the Opposition has said, but I say, Mr. Chairman, the granting of interim supply will be done, if it is done at all, under protest, with this declaration which I make to the government: You are asking something that you have no moral authority to request from a free Canadian parliament.

Despite what the Prime Minister said on Friday about civil servants and others who should not be called upon to suffer because of party warfare, I assert, Mr. Chairman, that the issue is not whether civil servants are to receive their salaries. Incidentally, because in my remarks I seem to be referring to civil servants only and not to those of the armed forces, I may say that I have done that because it is my understanding that the nature of the national defence estimates is such that there is plenty of money for the paying of the armed forces. As hon. members know, the national defence estimates consist mainly of one large item for something over $1,700 million, and in that item there are included subitems for wages and salaries and also items for ships, guns, planes, tanks and ammunition. Already the government has one-sixth of that total sum. Because some of those other things such as ships, guns and planes have not been purchased there is enough money there, so I understand, for the armed forces to be paid at the middle of this month. Therefore, if there is concern at all about the meeting of salaries this week it is only with respect to the civil servants. But, may I say, Mr. Chairman, that in our view the issue is not civil servants' salaries. This government has no right to claim that that is the issue.

On May 25 when the government's chief concern was in getting its pipe line bill through parliament I asked the Minister of Finance this question, as recorded at page 4325 of *Hansard:*

> Mr. Speaker, I should like to direct a question to the Minister of Finance. When does the minister intend to ask the house for further interim supply?

On behalf of this government that is now so concerned that it is asking parliament to help it out so it can pay the civil service, this was the minister's reply:

> I presume in due course when I announce it to the house.

I asked a supplementary question which reads:

> As a supplementary question, may I ask the Minister of Finance what he intends to use for money when his present supply runs out.

The reply of the minister was this:

> I am afraid that I could not answer that question because the occasion has not arisen yet.

Despite that effort to bring to the attention of the government the fact that something should be done, and done then, about supply, nothing was done by the government, and so three days later, on Monday, May 28, I put another question to the Minister of Finance which can be found on page 4371 of *Hansard*:

> Mr. Speaker, may I direct a question to the Minister of Finance. Is the minister in a position yet to answer my question of Friday respecting when he is going to ask the house for interim supply so he will have some money in June? In the meantime, can he assure civil servants that the present interim supply he has will make it possible for him to pay salaries on the 31st of May?

What was the answer of the Minister of Finance, speaking for this government that is now so concerned about civil servants? Here it is:

> I am not in a position to answer the question, but I will make inquiries.

I thought that would bring forth an answer on the minister's initiative within a day or so, but it did not come. Accordingly, on May 30 I asked again. Here is my question as recorded on page 4461 of *Hansard*:

> Mr. Speaker, may I direct a question to the Minister of Finance. In view of the action that has been taken in the other place ostensibly to make it possible to get interim supply through in one day, can the minister now say when he intends to move for interim supply?

The minister's reply was this:

> I cannot, Mr. Speaker, but as is customary I shall consult with the opposition groups before making the proposal.

There you have it, Mr. Chairman. Three attempts on my part during the month of May to bring to the attention of the government the fact that something needed to be done to get interim supply so civil servants could be paid. But what was the government concerned about then? It had only one preoccupation, namely, getting its precious pipe line bill through the house. On Friday when the Prime Minister made his appeal to the house he said something to this effect, that it was usual at this stage to ask for interim supply. I have not turned up the exact quotation but I know that the words "at this stage" are there. May I remind the Prime Minister and the government that one has to stretch words a bit on June 8, or today on June 11, to say that this is the stage at which interim supply is usually sought for the month of June. I have taken the trouble to check back through the *Hansards* for the past 16 years—those happen to be the *Hansards* that I have in my office—covering the last four parliaments of which I have been a member. I checked every interim supply bill during those 16 years, and I shall say something in a moment about the picture

as a whole, but first I want to say something about supply for the month of June.

After all, that is what is before the house now, supply for the month of June. I tell you, Mr. Chairman, from my research, that not in a single June during the past 16 years—you may go back further, but that is as far as I went in my research—not in a single instance has supply for June not been obtained prior to the end of May. Indeed in some cases it was obtained several days or even weeks before the end of May. Not once in the last 16 years, through all the war years and all the post-war years and all the troubles and fights that we have had in parliament, not once has the government laid aside its request for interim supply for the month of June because there was some other issue that was more important. It was only the pipe line that became more important than interim supply in this instance.

Let me put these dates on record. In 1940 it was obtained on May 28; in 1941, on May 29; in 1942, on May 26. In 1943, the motion which led to obtaining supply was actually made on May 11. There was a bit of debate and even with the debate that took place it was obtained in this house on May 17. In 1944 it was obtained on May 26. The year 1945 was an election year and supply for the months of May, June, July and August was obtained on April 13. In 1946 it was asked for on May 6 and obtained on May 26; in 1947 it was obtained on May 13. In 1948 it was again obtained on May 13. The year 1949 was also an election year and on April 30 a sufficient supply was put through for June, July, August and September. In 1950 it was obtained on May 30. In 1951 it was obtained on May 30. In 1952 it was obtained on May 29. In 1953 the final supply bill was put through on May 14. That, of course, was again an election year. In 1954 it was obtained on May 27 and in 1955 it was obtained on May 26.

There is the record of 16 years, Mr. Chairman; never later than May 30. Even apart from the instances of the election years it was obtained in some instances as early as May 13 and asked for in one year as early as May 6. In other words, the government knows from its past practice that the time to ask for interim supply for the month of June is in the month of May before its May money runs out.

I will tell the present Minister of Finance that he is personally aware of how these things should be handled. Indeed, last year in June when he was seeking interim supply for the month of July I asked him if the fact that he was seeking only one month's supply meant that he hoped the main estimates would be through before the end of July. This was his reply as found at page 5274 of *Hansard* for June 24, 1955:

> Mr. Harris: There is no certainty at the moment, Mr. Chairman, that that will be so.

Then I ask that these words be noted:

> If we are here on the 25th or 26th of July, I shall make another motion similar to this.

In other words, Mr. Chairman, despite the minister's innocence in his reply to my questions in May of this year, from his statement of last June it is clear that he knows that the time to ask for interim supply is before the end of the month in which the government's current interim supply runs out. This year the government would not do that even when we asked them to. They would not even consider the matter; no, it had to wait until the precious pipe line bill was through and then we are asked to bail the government out of the situation in which it finds itself.

With regard to the instances in the past, I might also point out that in addition to all these cases where supply for the month of June was obtained in the previous month, in the whole period of 16 years the only occasion I can find where interim supply for any month was obtained after the first of the month was in the fall of 1945. That, as hon. members will recall, was an election year. In fact, the 1945 election was held 11 years ago today. As the result of arrangements made previous to the calling of that election, interim supply ran out on August 31. The new parliament did not meet until September 6. What did Mr. King do? He took the matter up in the house the very first day, let the house understand that the treasury was empty and that interim supply would be needed. He indicated he had spoken to leaders of the groups opposite and arrangements were made for an interim supply bill to be put through on the 11th of September. That is the only instance across the 16 years where there was any delay in interim supply to a date beyond the first day of the month for which supply was to be voted. That of course was for a very justifiable reason; namely, there had been an appeal to the country and a general election.

I might also tell the house that in 1942 when supply was sought on May 26 by Mr. Ilsley a rather interesting situation developed. I am sure the Prime Minister will remember it because he was then a new member of the house and that was his first session. He was present that day because he answered a question that was put to him on the orders of the day. He was minister of justice at the time. It so happened that

Mr. Ilsley on that occasion asked for two months' supply. The house was in an angry mood over some things that had happened although it had much less cause to be angry than might be the case at the present time. As the result of a considerable debate Mr. Ilsley had to agree on the floor of the house to cutting his interim supply bill in half. It was only the 26th of May but he said to the house, "We need this money now; we need it to pay bills". He was talking about the month of June. The then leader of the opposition, Mr. Hanson, suggested the two months' supply be reduced to one and called upon the the minister of finance to accept the reduction to half of what he was asking the house to give him. Mr. Ilsley replied that he had no option, but that he had to accept. He recognized that the gift of supply was in the hands of the House of Commons.

This government, concerned as it has been to get its pipe line through, has paid no attention to the proprieties concerned with obtaining interim supply from the house and has let all its established practices go by the board. Now it comes before parliament and expects us, despite its failure to respond to the concern we demonstrated in May for the civil service, to bail the government out. I say, Mr. Chairman, the issue is not the salaries of our civil servants. Our position on that is clear. Like the Leader of the Opposition, we feel that although others may have been victimized by the government's action the civil service should not also be the victim of what this government has done. In our view it is a moral issue. What we now have is an executive which has treated parliament in a despotic manner, coming before parliament and asking it for the tools to carry on in the normal way just as if nothing had happened. It comes before parliament as if it had moral authority. We claim that it does not. In our view the honourable course for the government is to withdraw this request and come before us with an assurance that there will be a dissolution, whereupon we would grant whatever supply is necessary. If the government is not prepared to deal with it in that way we can only assume this government is not one that can be appealed to on the moral grounds which we feel are basic to this whole situation.

Mr. Chairman, it is not possible for a free parliament to have done to it what we have suffered here in the last few weeks and then for it to go on in the normal way. In our view the civil service and others should not be made to suffer, but in our view the government has no moral authority to make the request that it now lays before this house.

Mr. Low: Mr. Chairman, the ideal situation would be, of course, to have the estimates through the committee before the end of the financial year; then it would not be necessary for the government to ask for interim supply at any time; but we know from experience and past history that that has been impossible. Consequently it is necessary for the government some time before the end of the session to ask for interim supply as it is doing today.

Now, I have listened very carefully to the arguments that have been advanced today. I have thought back over the years when I have heard similar arguments advanced on many another proposition put forward by the government. At one stage I want to ask the hon. gentleman who was speaking if the situation with respect to the government's request for interim supply was any different fundamentally from the situation which exists when the government is asking for support for any proposition it puts forward. The opposition has argued on every occasion, I think, that I have ever heard in the house when the government has put forward a proposition, that the government ought not to do it because it did not enjoy the confidence of the people of the country. It does not matter what the proposition is, that is the position taken by the opposition; and the only difference it seems to me at the present time is that feelings are a little more in evidence than they were on previous occasions. There is perhaps more evidence of anger than there has been at other times.

I suppose if one were to take seriously the argument advanced here today about this being a dishonourable thing, one would have to consider the reverse position and argue that when we agree to an estimate passing we are indicating our belief in the normal integrity and the support by the country necessary for those who administer it. That is just about the last argument that could be advanced. It is just as reasonable to suppose that one argument could apply as that the other could apply.

I do not look upon this as a dishonourable request at all, and I suppose the reason I do not is that I do not think the government acted in a despotic manner in getting the pipe line bill through. Therefore I am not carrying around a lot of anger and bitterness in my soul because of what happened. I must say that I feel very bad about what happened, but that feeling has not been engendered by any belief I have that the government acted in a despotic manner.

The hon. member for Winnipeg North Centre has indicated his concern for the civil service. I have tried to put myself in

the position of the Minister of Finance on any one of the last days of May when the request for information was made by the hon. member for Winnipeg North Centre. I am wondering what the Minister of Finance thought as the hon. member for Winnipeg North Centre expressed concern or simulated concern for the civil service. I know I would have thought to myself that that was clever of the hon. member in trying to have something else brought before the house so that the bill being considered at that time would carry over June 7. I am not going to say that that was what was in the hon. member's mind, but believe me that is the thought I would have had if I had been in the position of the Minister of Finance at that time.

I wonder if the hon. member for Winnipeg North Centre or the Leader of the Opposition would give a clear undertaking today that if the Minister of Finance had called a recess for one day, let us say on May 29, 30 or 31, to ask for interim supply, they would have taken the normal time to discuss it and then got back to the pipe line bill. If they would give that unequivocal undertaking, then that would be an answer that they would have supported it without using it as the means to hold up government plans. If that were the case, then I would be ready to change my attitude, but under the circumstances I can only believe that they would have seized on that interim supply to hold things up beyond the date that was named as the terminal date beyond which they could not go with that bill.

It has been said that the government should have asked for interim supply at an early date. I think they should have done that as it would have been better for everybody, but I have tried also to think when they could have asked for it within the past three or four weeks with any chance in the world of getting it. I am of the opinion that they have asked for this interim supply at the earliest possible time available to them.

An effort has been made to stress that the government is a dishonourable government, that the government is a despotic government, and for that reason we ought to hold up interim supply. I am not claiming any virtue at all in that regard; I simply say that as the government has bills to pay, as time in running out and as we are going to have plenty of time to discuss the estimates in the regular manner and to do the business of the house in the regular manner, it would seem to be the best thing for members of this House of Commons representing the people of this country to get interim supply through and go on with the business of the house.

[Mr. Low.]

I would certainly suggest to the Minister of Finance that he bring the main departmental estimates before us as soon as possible so that we may have ample opportunity to go into them and have all the discussion required in the interests of good government in this country.

Mr. Zaplitny: Mr. Chairman, before we vote on this question I should like to ask the Prime Minister one or two questions. It seems that the government has once more placed a deadline before the house. It seems to be the rule rather than the exception to have government by deadline. I for one resent that. If the government is going to operate in that way this bill should have been introduced by the Minister of National Defence, who is the only one with enough artillery to carry it through.

It seems to me that this is the proper time for the government to disclose some of its plans with regard to legislation. The government has been in such a great hurry to give away the taxpayers' money to United States capitalists that in my opinion they have completely ignored the Canadian people. We are wondering whether the government has any plans for legislation to better the lot of old age pensioners. We want to know what the government is going to do about blind pensioners. We also want to know when the government is going to straighten out the regulations under the Disabled Persons Act. These are things that may not appear to be huge things percentagewise as compared with the $103 million pipe-line bill, but they are important to many thousands of Canadians.

I must remind the government that it is several years since those who are recipients of old age pensions had an increase in their pensions. Since that time there have been two increases in civil service salaries, two increases in judges' salaries and at least one increase in the pay of the armed services. With the cost of living rising all over the country, people are asking when old age and blind pensioners are going to receive some consideration. This session is nearing its end and so far there has been no indication from the government as to whether they intend to introduce legislation this session with regard to old age pensions, blind pensions and the regulations under the Disabled Persons Act. I think this committee deserves answers to those questions before we vote on this motion.

Mr. Drew: Mr. Chairman, I just want to deal with one thing that was raised, the question that was asked as to what the opposition would have done if there had been time set aside when this motion could have been dealt with. I would point out that

after the pipe-line bill was introduced other business was dealt with on Wednesday, May 16. It would have been possible at that time for the government to have asked for interim supply, as it should have done well in advance of May 31. I point that out so the intervention by the hon. member for Peace River will not leave the impression that there was no opportunity for this to be done.

I do not wish to extend my remarks beyond saying that this is June 11 and the interim supply we are now dealing with runs from the beginning to the end of June only. I trust that when we are next called upon to deal with this matter it will be done in plenty of time. Of course the attitude we adopt at that time will depend entirely upon the circumstances of the case.

Mr. MacInnis: Mr. Chairman, I am not at all surprised that the government do not want to go to the country, as I have no doubt they have been reading the editorials which have been published during the past few weeks in newspapers across Canada. From editorials in regard to the pipe-line legislation itself, there were newspapers that supported it and newspapers that opposed it, but in regard to what this government did to the rules of this house the newspapers of this country have been almost unanimous. What we should ask from this government before we grant interim supply is: is this government from now on going to run this parliament according to the rules of this parliament? That is the question that should be asked.

I am rather surprised how easily my friends on my left have been bought. They used to associate the C.C.F. with the Liberal party and the Liberal government. We were socialists in a hurry; the Liberals were socialists who were not in quite such a hurry. But the socialists that were not in quite such a hurry have become quite acceptable socialists just because they helped to buy a little gas that the province of Alberta has to sell. Surely the support of no party was ever bought so cheaply.

As I have said, that is the assurance that the Leader of the Opposition should ask—and he is in a much better position to ask it than we are—from the government, while they are taking time to rehabilitate themselves and hoping that the public will forget what they have done to parliament and that, when the next election comes around some time in 1957, the odor in which they stand with the public will not be quite as bad as it is today.

The Chairman: Shall the resolution carry?

Mr. Zaplitny: I asked the Prime Minister two questions to which I think he was prepared to reply before the Leader of the Opposition stood up. I wonder whether he is prepared to reply now.

Mr. St. Laurent (Quebec East): There will be opportunity to discuss all those questions when the estimates of the Minister of National Health and Welfare are before the house for consideration.

Mr. Zaplitny: May I ask whether the Prime Minister does not intend to make any announcement at this time?

Mr. St. Laurent (Quebec East): No, I am not in a position to make any announcement at this time.

Mr. Winch: Perhaps I do not understand all these words of diplomacy but am I to understand, from what the Prime Minister said at the presentation of this resolution, that at the present time the government is asking, because of the situation in which they are in, that all they require now is the one-twelfth of the estimates and that, if that is passed—and of course it must be passed, because the bills have to be paid—that means that the house is not going to adjourn this month or next month, either for a meeting in the fall or for the purpose of an election; but, if they get the one-twelfth of the money they require to pay their bills for the month of June, this house carries on with all normal business until it is finished, and that includes discussion of all estimates; and, if they are not finished by the end of June, then they come back again for interim supply? There has not yet been a straightforward statement as to the intention of the government. I guess that is the intention, but I think all of us would like the Prime Minister to get to his feet now and say point-blank what is the situation with all business of this house, all supply and all estimates?

Mr. St. Laurent (Quebec East): The situation at this time is that we are asking for one month's supply and that we intend, when that supply is granted, to proceed with the business of the house in the ordinary way. We do not expect that the estimates will be passed by the end of June, and we do expect that at that time it will be necessary to ask for further interim supply, and we intend to carry on with the business of the house in the normal way. Now I cannot go beyond that. I cannot at this time make any commitments about things which cannot be foreseen and circumstances which might in the future arise.

The hon. gentleman knows that there are several hundred items in the estimates, and each one can be discussed. If each one were to be discussed, even if we were to sit here until Christmas, we would not get through

with the discussion of each one of those estimates if we were not seriously intent upon disposing of the business of the house in the normal way.

I do not want to say anything at the present time that would appear to be controversial. There will be plenty of controversy about all these matters on appropriate occasions. But I would hope that, for the reasons that have been given—and I am not going to attempt to discuss at this time the qualifications that have been placed upon these reasons—the supply will be granted at this time and that we could then proceed in the ordinary way with the business of the house.

Mr. Drew: Mr. Chairman, just before the question is put, I should like to ask the Prime Minister whether there is any legislation that the government intends to introduce which is not yet before the house?

Mr. St. Laurent (Quebec East): There is not, to my knowledge, any legislation that has not yet been indicated. There is the legislation with respect to the dominion-provincial fiscal arrangements, which is being completed and the tenor of which has been fully disclosed in the proposals that have been made to the provinces, and that have been tabled in the house and even printed as appendices to *Hansard*. The Minister of Finance did say that he had a succession duty bill that he expected to introduce but that he was not at all confident that there would be time to have it considered. Those are the only two outstanding things, except for one that was forecast by the Minister of Labour for some partial amendment of, I think, section 45 (2) of the Unemployment Insurance Act. I do not know of anything else that is not already before the house.

Mr. Winch: I am sorry to get up again, but I have to go by the words of the Prime Minister that the house will, if granted the one month's supply, carry on in the normal way. If it carries on in the normal way, we should then go through all the estimates, with all our rights of discussing all estimates. That cannot be done in this month of June.

Mr. St. Laurent (Quebec East): No.

Mr. Winch: In addition, carrying on in the normal way includes all the business on the order paper, that is, bills and estimates and so on. If that happens and we carry on in the normal way—and that is the interpretation I would like—is that the interpretation of the Prime Minister of the normal way? That could possibly take us into August. Under those circumstances, is there any possibility or probability of the introduction of the required bill, as mentioned by the Leader of the Opposition, on the dominion-provincial relations, because all our present contracts die on March 31 of next year; or is it the intention that carrying on in the normal way means to carry on now until everything is through and then have a spring session? Just what is the situation?

[Mr. St. Laurent (Quebec East).]

Mr. St. Laurent (Quebec East): Well, Mr. Chairman, I think the hon. gentleman wishes to go much further than I am in a position to go at the present time. The hon. gentleman says that it might even extend into August. That is possible but I would hope not. I would hope that we could dispose, in an orderly way, of all the business including the legislation with respect to dominion-provincial relations.

Mr. Winch: At this session?

Mr. St. Laurent (Quebec East): At this session.

Mr. Winch: That is what I wanted to know.

The Chairman: Shall the resolution carry?

Mr. Knowles: Under protest.

Mr. Regier: I want to spend a few minutes to express my great disappointment at the statement of the Prime Minister that no new major legislation is being contemplated. I have reference to the statement made by the Minister of Finance, as found at page 4141 of *Hansard*, where he made this remark in reply to something I had said in the pipe line debate:

> Bless your soul, if this project gets going we will have enough money for all the things you have asked for.

I understand that this is June 11. I have also been given to understand that the pipe line began moving as of midnight of June 7 and is now rolling. Therefore the minister now has all the money. However, he added this qualification later:

> . . . we would use our usual good sense in deciding which ones should be proceeded with.

In that qualification there is at least the inference that the Canadian people would also get some of the good things and that not all the money would be reserved for foreigners.

The Chairman: Shall the resolution carry?

Mr. Lennard: While this general questioning is going on, I should like to ask the Minister of Finance if it is the intention to bring in this session an amendment to the Members of Parliament Retiring Allowances Act to include widows. It is about time it was done. I think it is a shame that the widows of members of parliament are left high and dry when the member dies.

Mr. Harris: Mr. Chairman—

Mr. Lennard: It is nothing to laugh about either.

Mr. Harris: No, Mr. Chairman. I assure the hon. member for Wentworth that this matter has been before the government for some time. I know that in this instance the hon. member has mentioned, as in other instances having to do with the legislation, there have been consultations. I would hope that these consultations could be continued and that we could find a solution to the problem. I think it is correct to say that a great many members share the strong views that the hon. member has expressed. I might admit that the matter had gone out of my mind temporarily in the recent weeks, but now that he has drawn it to my attention I shall make inquiries again as to exactly what the situation is and will say something at a later date.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Harris moved:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1957, the following sums be granted out of the consolidated revenue fund of Canada, namely:

1. The sum of $264,409,639.92, being one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1957; and
2. The sum of $652,148.34, being one-twelfth of the total of the amounts of items 212, 213, 214, 216, 222, 228 of the said estimates;
3. The sum of $36,506,378.25, being one-fourth of the supplementary estimates for the fiscal year ending March 31, 1957;

as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 414, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall this bill be read the second time? By leave, now?

Mr. Knowles: Under protest.

Mr. Harris moved the second reading of the bill.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Deputy Speaker: Shall this bill be read the third time now?

Mr. Knowles: Under protest.

Mr. Harris moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. W. E. Harris (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 authorize the Canadian National Railway Company to make capital expenditures in the year 1956 not exceeding $233,564,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1957; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $203,994,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $203,994,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Benidickson: Mr. Chairman, this is the annual resolution that precedes the introduction of the Canadian National Railways Financing and Guarantee Act. Hon. members will recall that in 1952 the form of this legislation was changed so as to include the financing of all capital expenditures whether authorized in that act or in earlier financing and guarantee acts. This procedure has been followed again this year.

The bill to be founded on this resolution is divided into three specific parts. The first part is to authorize the Canadian National Railways to incur capital expenditures up to $233,564,000. The second part authorizes the railway company to make capital expenditures prior to July 1, 1957, to discharge obligations incurred under this act which become due and payable after January 1, 1957 in the amount of $80 million. The third part authorizes the railway company to enter

into contracts for new equipment and for its general additions and betterments in the amount of $90 million. To summarize, parliament is being asked to approve financing, either by way of the issue of new securities guaranteed by the government or by way of direct loan in the amount of $203,994,000.

For the convenience of hon. members, I would ask permission to place on *Hansard* a table giving the details of this amount, for the convenience of hon. members and so they can better take part in debate on second reading after consideration of these financial statements.

The Deputy Chairman: Order. Just to keep us in order, is it agreed that the hon. member may have permission to have the figures included?

Some hon. Members: Agreed.

Mr. Benidickson: The table is as follows:

The details of the amounts required are as follows:

Year 1956		
Road property	$ 84,077,000	
Branch line construction	9,875,000	
Equipment	116,147,000	
Hotels	9,035,000	
Investment in affiliated companies	14,430,000	
	$233,564,000	
Less: Depreciation accruals	74,570,000	
		$158,994,000
Year 1957		
Interim financing authority January 1 to June 30, 1957, on obligations incurred prior to January 1, 1957	80,000,000	
Less: Depreciation accruals	35,000,000	
		45,000,000
		$203,994,000

After hon. members review the table they will find, on a study of the report of the sittings of the committee on railways and shipping, that the officers of the Canadian National Railways appeared before that committee and the budget of capital expenses to which this resolution alludes was given very exhaustive committee inquiry.

In addition in this year's bill there will be provided the appointment of the auditors for the Canadian National Railways for the year 1956. Hon. members will recall that prior to last year, 1955, the appointment was made by a special bill. Since it relates to the finances of the railway, it was felt appropriate last year, and has been done again this year, to include in this bill the appointment of the auditors of road.

In the bill to be provided, hon. members will find the usual authority for the making of

[Mr. Benidickson.]

temporary loans to the railway company and to Trans-Canada Air Lines to meet operating deficits to June 30, 1957. While the budget of the railway company contemplates a surplus of $2·6 million for the calendar year 1956, it has been the experience that deficits are usually incurred in the first six months of the calendar year.

Mr. Churchill: The parliamentary assistant to the Minister of Finance has set out some of the salient facts with regard to this resolution. He is quite correct in saying that the committee on railways and shipping gave careful consideration to the budget presented by the president of the Canadian National. During the month of March we spent two or three sittings dealing with that problem and received from the president a full and frank statement.

However, I should like to have a little more information with regard to the actual figures that appear in this resolution. The first one of $233,564,000 is the total and that was brought to our attention by the president of the C.N.R. This total we approved. If the parliamentary assistant will refer to page 287 of the railways and shipping report for March 22, I think, he will find these figures set out. This grand total was made up of the amounts that were to be spent on road property, $84,077,000; branch line construction, $9,875,000; equipment, $116,147,000; hotels, $9,035,000; investment in affiliated companies, $14,430,000.

However, the president of the C.N.R. went on to tell us how he proposed to obtain the money to meet those capital expenditures, and drew our attention to the fact that there were three sources open to him. The first was depreciation accruals. He said he expected to have an amount of $74,570,000 from this source. Then, I give his exact words on page 287 of the committee report:

> Then, we estimate that the government will provide us with $20,555,000 by the purchase of preferred stock under the provisions of the recapitalization plan . . . which then leaves us with the problem of finding $138,439,000 to finance our requirements for this year. That is the total which we will in the first instance borrow from the government in the form of an advance, and then go to the public market to sell bonds to pay off the temporary government advance.

The question I have to ask is this. When you add together the depreciation accruals of $74,570,000, the $20,555,000 which the president expected to get from the purchase of preferred stock, and then the $138,439,000 which he said was required to be borrowed, then you come to a total of $233,564,000. But if you deduct what he already has on hand in the $74,570,000, the requirement then would be $158,994,000, and the difference between that and the $203,994,000 that is

mentioned in the second part of this resolution is what would not be accounted for by way of explanation. Could the parliamentary assistant enlighten us with regard to that?

Mr. Benidickson: Well, Mr. Chairman, I did not have the advantage of being on the railways and shipping committee this particular session as did the hon. member for Winnipeg South Centre, but I have read the minutes of that committee. I can assure the committee that with respect to the budget resolution arrangements this year I could find nothing that was different from those in former years. I recall that two years ago I was a member of the railways and shipping committee, and we considered the budget in the same way as we did this year. There is always some difficulty in relating the figures in the resolution, and my hon. friend has given two examples, one amounting to $233 million and the other amounting to $203 million, to the subsequent bill that comes before the house. When the subsequent bill comes before the house there are explanatory notes on the right-hand side of the page of the bill. In those explanatory notes there are excerpts given to the 262 members as against the probably 30 members that were on the committee. May I say that the figures I gave to the clerk for filing in some way answer my hon. friend's question. I would think the whole house would find advantage in looking at those figures and re-examining the pages as outlined by the hon. member for Winnipeg North Centre of the sittings of the railways and shipping committee. I refer to pages 280 onward. We could then probably have a detailed discussion in this committee.

Mr. Churchill: All of that is good advice but the resolution stage provides the house with an opportunity to get a little light on matters which are not clear.

Mr. Benidickson: Quite so.

Mr. Churchill: What I am talking about now is the difference of $45 million over and above the amount that the president of the Canadian National Railways informed us would be required for this coming year. I simply raise the question, what has caused that upward revision in the figures that we were given?

Mr. Benidickson: I am sure my hon. friend is referring to cash requirements as explained in the railways and shipping committee. Cash requirements, of course, would be the balance after cash income had been provided through the railways' operations and in their balance sheet had been offset by such things as depreciation of $74 million and some odd, as I recall it, and so on.

The Deputy Chairman: Shall the resolution carry?

Mr. Hamilton (York West): Mr. Chairman, I shall be only a minute. I was very fortunate to be on the sessional committee of railways and shipping and to have had an opportunity to question the president of the Canadian National Railways and to hear him explain the over-all financial picture. As a matter of fact, it is not something that I ever thought I would have a chance to do when I took my first ride at four or five years of age in my dad's caboose on the old Grand Trunk.

There still seems to be a very critical situation facing the Canadian National. Mr. Gordon outlined that at the present time all of these expenditures which we have and which are mentioned in the resolution are prudent expenditures, and the railway can be expected to make the necessary profit to take care of the fixed charges on the outlay which is provided in this resolution; but at the same time he has not avoided saying that the railway does face a critical period as the dieselization program is completed and the law of diminishing returns sets in. In connection with that program, at the present time the railway has been able to meet its fixed charges owing to the fact that there has been great savings in connection with the introduction of that new dieselization program. But if that saving does not continue, or if we do have a corresponding increase in wage costs and other operating expenses, then of course, he is going to face a very serious problem in the over-all financing of the road.

In this connection, the company faces a different proposition from that of its competitor, the Canadian Pacific Railway, because if that railway is unable to meet at a specific time the dividend that might be expected on some of its stock then, of course, the dividend is simply not declared; but under the recapitalization program of 1952 there is an indication that the Canadian National has been set up on a basis so that all of its fixed charges can be paid and, as a matter of fact, of necessity must be paid because the government continues as the guarantor of all of the obligations.

I am not an accountant, but it seems to me that sooner or later we shall have to remove some of the shackles which surround railway operations in Canada. Perhaps we should have a look at this thing in the reverse of the ordinary accounting methods. Since it is absolutely essential that the guaranteed indebtedness must be met we shall have to set aside an amount which is absolutely essential to the railway's continued successful

operation, an amount to meet the fixed indebtedness. We shall have to use that as a step in the formula and then arrive at a situation where the railway may look at its current operating position and examine its revenue as related to its expenses. If there is an indication that that amount cannot be met, then of course we shall have to give the railway an opportunity to earn the amount of revenue sufficient to meet its current operating expenses. Possibly that is the reverse of the way the operation is carried out at the present time. If operating expenses are so great that they do not allow a sufficient amount to be carried over against the fixed charges, then of course the government has to step in, as it has done in the past. Even taking the 1952 formula into account, it might have to step in and make payments to the people holding bonds. Mr. Gordon said this in the committee: these expenditures are prudent ones. As far as the capital outlay is concerned, they can earn their worth, if you want to put it that way. Then, taking a realistic approach, we must move back in our formula and ensure that the railway itself in its current operations is placed in a position where it can meet its current expenditures. As a matter of fact, if that were done it seems to me we would not be faced with the almost yearly problem of negotiation between labour and management which is very unsatisfactory because first of all labour does not feel that it is being allowed to bargain in an unfettered condition because of the over-all control that has been set down at the top, and management feels just as frustrated because it realizes that no matter what it does in connection with meeting the demands of labour it too is in a position where its over-all operation is pretty well surrounded by government regulation.

At each step it must come back here—perhaps not to this house, but certainly to an arm of the government—and say, "We are in this situation, are you going to help us out?" It seems to me it is about time we took a very realistic approach to the over-all financing problem which confronts the Canadian National Railways and gave considerably more leeway to management in its fight to stay ahead of the increasing operating costs. In so doing I think we would find we would have a much more satisfied labour group on the railway as well.

Mr. Churchill: May I just add a comment to my earlier remarks. It is possible the answer to my question is to be found on page 288 of the committee report although it is not very clear even there and it is difficult to recall discussions we had as far back as March.

One of the problems that arise in all the committees is that the committee reports are published so late they really are of no use to us while the committee is sitting. The question I raise now I might better have raised with the president of the Canadian National Railways present, although I had no printed copy of the report to follow. Obviously when figures in the millions are being discussed in the course of the remarks of the president of the Canadian National Railways or anyone else who appears before a committee it is extremely difficult to follow it all very closely. Perhaps by the time we get to second reading we will have the answer to this particular question.

Mr. Benidickson: Well, Mr. Chairman, if there is anything new in the hon. gentleman's inquiry I can assure him that it will be ready on second reading. I am quite confident, except for the difficulty of presenting it, that it is available in the budget sheets presented to the committee on railways and shipping and incorporated as a part of the minutes of proceedings and evidence, No. 2, of this committee. I would hope that when we discuss this item again hon. members will have had notice of this reference.

Mr. Trainor: Mr. Chairman, I should like to take the opportunity presented by this resolution to call the attention of the committee to a grievance of a group of employees of the Canadian National Railways in my constituency.

Hon. members will recall that during the course of the past year a fire occurred in Winnipeg which partially destroyed the Fort Rouge shops of the Canadian National Railways. I asked on a previous occasion, as did the hon. member for Winnipeg North Centre, whether or not it was the intention of the railway to reconstruct these shops on the existing site. The minister concerned indicated on that occasion the company did not intend to re-establish the shop on the existing site.

Now the difficulty is this, Mr. Chairman. The employees concerned represent a large number of people. They have their homes in this area and have had them located there for years. The intention of the railroad apparently is to transfer the operation of these shops to Transcona which is approximately five or six miles outside of Winnipeg at the opposite end to Fort Rouge. This involves these employees, if they wish to remain in their own homes, paying transportation costs to the Canadian National station

and then paying their railroad fare to Transcona when they go to work in the morning and again when they come back in the evening.

I suggest, Mr. Chairman, this is a gross disregard of the human factor. These people are entitled to consideration. If the company decided to carry out its declared intention it ought to arrange first of all to consult with the employees to see what sort of compromise arrangement might be worked out and secondly it should not be done without adequate compensation to these employees who have to abandon their homes, which they have owned and occupied for many years, and seek new homes in the town of Transcona. I see the Minister of Transport is not here but I should like to have some member of the government give an assurance somewhat along these lines that this type of action might be taken.

Mr. Harris: Mr. Chairman, I have listened to what my hon. friend has said. He knows perfectly well the relationship of the government and the management of the Canadian National Railways. I think on all occasions the government has promised to draw to the attention of the management of the railways any matter which is raised in the house which the government feels is a matter of importance and one that should be considered. I now give the assurance my hon. friend has asked for. We shall draw to the attention of the management of the railway what he has said.

Mr. Knowles: Mr. Chairman, I should like to support the request the hon. member for Winnipeg South has made with respect to the car shops at Fort Rouge. I appreciate the assurance the Minister of Finance has given that this will be drawn to the attention of the management of the Canadian National Railways.

I might point out that that assurance was given by the Minister of Transport some weeks ago when we asked questions about this matter on the floor of the house. I thought there would be replies given by the minister to our questions at a later date. Those replies have not been forthcoming so I rise now simply to repeat our insistence that the matter be brought to the attention of the management and also that the management be asked to hear representations from the employees concerned.

As the hon. member for Winnipeg South has pointed out, there are a great many employees in the constituency of my hon. friend who have their homes in that area. They are seriously affected by any change such as this which seems to be contemplated. As the Minister of Finance has said, I hope these representations will be brought to the attention of management as forcibly as the government can do it.

Mr. Harris: Mr. Chairman, I should have waited for the hon. member for Winnipeg North Centre to speak because I knew that he had in fact directed questions to the Minister of Transport earlier in the session concerning this matter. My assurance includes an assurance to the hon. member for Winnipeg North Centre and all hon. members from the city who are interested in this matter.

Mr. Benidickson: As the Minister of Finance has given me the privilege of piloting this resolution through the house, I think in answer to that question it would not be wrong for me to say at this point that I lived in that community for most of my formative years and if anything came up relating to that area on which I could help them I would certainly continue to do so. But everybody knows the Canadian National Railways is a crown corporation which operates its affairs independent of parliament except for representations such as we have heard in the House of Commons today.

Mr. Churchill: Mr. Chairman, as one of the other members representing Winnipeg I support the suggestion that the Minister of Transport indicate to the president of the Canadian National that appropriate action should be taken with regard to the shops which were recently destroyed and the employees whose work has been interfered with and who may be seriously inconvenienced in the future.

With regard to what the Minister of Finance said concerning drawing the attention of the railways to certain matters, I would point out that in the committee hearings in March there was a little exchange as to whether or not there was responsibility on the government with regard to the Canadian National or whether the C.N.R. acted completely independently. At some future date with some relish, I shall read to the Minister of Transport some of the remarks which are on the record indicating an exchange between myself and the president of the C.N.R. There is responsibility on the government which on occasions in the past has been avoided by other ministers of transport, telling us that the C.N.R. was completely independent of direction. I think the C.N.R. will be anxious to give close attention to any representations placed before it by the Minister of Transport.

Resolution reported and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 415, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system during the calendar year 1956, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

CANADIAN FORCES ACT

AMENDMENTS TO DEFENCE SERVICES PENSION ACT AND TO NATIONAL DEFENCE ACT

Hon. R. O. Campney (Minister of National Defence) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the Canadian forces to amend the Defence Services Pension Act to provide for uniformity of pension payments to former members of the forces pensioned as warrant officers or equivalent; also to amend the National Defence Act, *inter alia*, with respect to the code of service discipline and with respect to the payment of duties and tolls for the use of certain facilities.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Campney: Mr. Chairman, at each of the last six sessions of parliament bills have been introduced entitled the Canadian Forces Act, similar in purpose to the bill which will be introduced upon the adoption of this resolution. The bill to be introduced will be entitled the Canadian Forces Act, 1956, and will propose a number of amendments to statutes related to defence. This year the bill is more limited than has usually been the case, in that it contains proposed amendments to only two acts, the Defence Services Pension Act and the National Defence Act.

Three clauses of the bill contain amendments proposed to the Defence Service Pension Act. Two of these amendments are designed to facilitate administration of existing provisions in the Defence Service Pension Act and the other is designed to achieve uniformity in respect of pension payments to members of the three services who are pensioned as warrant officers or equivalent and are subsequently re-enrolled or accept appointments in the public service of Canada.

Nine clauses of the bill contain proposed amendments to the National Defence Act. The amendments to this act deal with a variety of subjects and embody in the code of service discipline some provisions contained in the new Criminal Code adopted at the last session of parliament. Others, it is hoped, will facilitate the administration of justice under the code of service discipline.

One proposed amendment would enable the commander of a unit to issue to persons accompanying his unit enforceable orders relating to the defence or evacuation of the unit area in the event of an enemy attack.

Another amendment proposed to the National Defence Act would incorporate in the code of service discipline provisions relating to persons driving Canadian forces vehicles while their ability to drive is impaired by alcohol or a drug.

An amendment is also proposed which would clarify the authority of the governor in council to make regulations in respect of the enforcement of discipline in service prisons and detention barracks.

A further proposed amendment would enable treasury board to authorize the payment of tolls in respect of the use by Canadian forces vehicles of facilities such as bridges, highways and canals where such tolls are payable by other users.

There are other proposed amendments to the National Defence Act designed to facilitate the administration of the code of service discipline and to effect other changes of a technical nature in the act.

Mr. Chairman, the foregoing amendments are directed to the efficient and equitable administration of our defence forces, and I therefore commend this resolution to the committee for its favourable consideration.

Mr. Pearkes: Mr. Chairman, I should like to take this opportunity of thanking the minister for his concise and illuminating description of the amendments which are to be proposed by the bill to follow this resolution. However, it seems to me that this is just another example of the government following a bad practice which is used as a precedent and then becomes routine.

For some years now we on this side of the house have pointed out how unsatisfactory it is to combine amendments to several acts in one bill. This year the Minister of National Defence even goes so far as to apologize for the fact that there are only two acts being amended in this 1956 version of the Canadian Forces Act. I cannot help feeling that as these acts have been in existence for a good many years it is not necessary to take up the time of the house year after year bringing in small amendments. Surely the main acts should be reviewed and brought up to date once and for all instead of having to bring in amendments year after year.

For instance, I am quite certain that there were bridges in existence last year, the year before and the year before that which exacted tolls from military vehicles. Why could not

this amendment have been brought in before? The Defence Services Pension Act has been in existence for some time. Surely it should have been discovered by this time that there was some difficulty about warrant officers being re-employed, re-enrolled or accepted in the public service of Canada. It does not seem to me that the time of this house should be taken up with such amendments. Next year the Minister of National Defence may be proposing another amendment to deal with sergeants or petty officers. Surely one big effort could be made to bring these acts up to date.

With regard to the amendments made necessary by the introduction last year of the new Criminal Code, I agree that these should be reflected in the military code of discipline. Therefore it is reasonable to expect that prompt action be taken and that the amendments be made. I sincerely hope that the code of military discipline has been carefully reviewed since the introduction of the new Criminal Code, and that it will not be necessary next year to bring in any further amendments.

I notice that there is to be an amendment to deal with the enforcement of discipline in service prisons and detention barracks. I do not suppose there is anything very new about that. Then we come to the amendment dealing with persons driving military vehicles while under the influence of liquor. Unfortunately there have been a great many instances of persons charged in the courts across the country with being under the influence while driving military vehicles. I think it would be a good thing to tighten up the discipline in respect to that, because it not only may cause grievous harm to innocent people who are in the path of such vehicles but it certainly brings the units concerned into very bad repute. On the information we have received, which is rather sketchy, I feel that we shall have to defer any further comments until we have the bill before us.

Resolution reported and concurred in.

Mr. Campney thereupon moved for leave to introduce Bill No. 416, respecting the Canadian forces.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR TODAY

Mr. Harris: Before the next order is called, perhaps I should indicate what I think is the agreed agenda for this afternoon and this evening. We are taking now, as I understand it, the bill in my name with respect to the Tariff Board Act. Thereafter we shall take second reading of the bill to amend the Livestock and Livestock Products Act; then we shall take the Canada Lands Surveys Act amendments; then the gold mining subsidies resolution. At a later time, if that has been completed, I shall indicate, I hope by agreement, what we can take then.

TARIFF BOARD ACT

AMENDMENT TO INCREASE MEMBERSHIP OF BOARD FROM THREE TO FIVE

Hon. W. E. Harris (Minister of Finance) moved the second reading of Bill No. 290, to amend the Tariff Board Act.

Mr. J. W. Monteith (Perth): In introducing the resolution on this bill on May 8 the minister mentioned that the increased volume of appeals under the Excise Tax Act and the Customs Tariff Act was the reason for increasing the number of members on the board. I am wondering whether by any chance there could be any clarification whatsoever in the terms of the Customs Tariff Act and the Excise Tax Act that would help to reduce the number of appeals under these acts. I notice that, as reported on page 3698 of *Hansard* of May 8, the minister said:

> As a matter of fact, we are contemplating a situation where we may have two vice-chairmen and appropriate members of the board working on different things at the same time, either completing a report while another investigation is beginning or having hearings going on at the same time on different subjects.

I can understand that the first part of that statement is quite within reason, but upon reading the bill it appears to me that there must be three members of the board sitting on any one appeal. Consequently I do not see how there can be more than one hearing going on at one time. If there is going to be a real saving of time, of course, we are quite in favour of the bill, but I should like to have clarified what the minister meant at that time by saying there could be two hearings going on at once. Outside of that, I think, we are in favour of the bill.

Mr. Harris: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): If the Minister of Finance speaks now he will close the debate.

Mr. Harris: To answer very briefly what my hon. friend has said, I quite appreciate his study of the bill and I think there is some point to the question he has asked. The fact of the matter is that I had a situation like this in mind. I did not have two hearings in mind, and in so far as I may have left that impression it was in error. What I had in mind was that the work of

the board could be divided in such a manner that there would be overlapping and that we might have a board of three conduct a hearing, then another board of three begin another hearing; and while the former was completing its study and the preparation of its report there would be one member of the board who would be not only sitting in the new hearing but would be working on the old one to complete its report. We thought that in that manner, by providing for the board as we have, we could have in fact a continuation of work which may not be possible at the present time.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Constitution of board.*

Mr. Monteith: I wonder whether I could ask the minister for clarification of the statement he made a moment ago on second reading. As I understand it, he means that there could be one group of three sitting with a vice-chairman or the chairman in charge, and then when they have completed that hearing a certain number of that group of three could move on to another hearing while somebody on the first hearing would be completing the report and so on?

Mr. Harris: That is correct.

Clause agreed to.

Clauses 2 and 3 agreed to.

Bill reported, read the third time and passed.

LIVESTOCK AND LIVESTOCK PRODUCTS ACT

AMENDMENTS WITH RESPECT TO HATCHING EGGS, ETC.

Hon. W. E. Harris (for the Minister of Agriculture) moved the second reading of Bill No. 352, to amend the Livestock and Livestock Products Act.

Mr. Charlton: Is the parliamentary assistant going to explain this bill?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Yes, Mr. Speaker. I have a short statement on the bill which I shall read. Part III of the Livestock and Livestock Products Act deals with poultry production. Under its authority is operated a national breeding program for poultry, known as record of performance, and the hatchery approval policy. The latter policy involves provision for supervision of chick hatchery sanitation and operations. On request of the provinces this policy has been proclaimed for compulsory operation in all provinces but Ontario, Quebec and Newfoundland. It operates voluntarily in those three provinces.

There are two features of hatchery supervision which will be changed by the proposed amendments. At the present time, under the authority of section 43 (b) of the act it is required that all chicks sold from approved hatcheries be marked with a standard grade name. In the present stage of development of the poultry business these compulsory grades have little significance with respect to the economic value of the stock. It is proposed to discontinue the requirement for compulsory grading and to substitute for that a provision which will protect the use of such terms as "record of performance" when applied to poultry. That is the purpose of the amendment to section 43 (b).

The act at the present time requires by section 48 that all advertising by chick hatcheries be approved by the department before publication. Section 52 (g) at present makes it an offence to publish such advertising without approval. This approval of advertising is no longer considered necessary and it is proposed to repeal section 48 and paragraph (g) of section 52.

In various sections of the act reference is made to certain requirements with respect to chicks. For administrative purposes it is desired to apply those same requirements to hatching eggs, which is the purpose of the proposed addition of subsection 2 to section 42 of the act.

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I see nothing wrong with the bill. As a matter of fact we think it is good. It relieves poultry hatcheries of a lot of restrictions and red tape with respect to advertising which applied in previous years, and I see no reason to delay the passage of the bill.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

CANADA LANDS SURVEYS ACT

AMENDMENTS RESPECTING REMUNERATION OF EXAMINERS

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the second reading of Bill No. 254, to amend the Canada Lands Surveys Act.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, as I understand it this bill simply deals with the licensing of land surveyors under the act in question. It therefore is somewhat technical in its nature and is not one which requires any protracted debate, but

when the resolution was introduced and considered the minister made very casual reference to it.

I have gone over the bill and I think it is in keeping with the explanation he gave at that time. I do not know if anyone else is going to speak on it. I certainly am not going to take up the time of the house to speak on it because I have accepted what the minister said on that occasion, but I would hope that when he speaks and closes the debate he will amplify the work that has been done and that is proposed to be done by these examiners. He stated it was of a very limited nature when he spoke before, and if there is anything else he can say to amplify it I think it should be done at this time, because he certainly did not do so when the measure was in the committee stage.

Mr. Prudham: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): If the minister speaks now he will close the debate.

Mr. Prudham: Mr. Speaker, I made quite a full statement at the resolution stage and I really have nothing to add at this time. If my hon. friend has any specific questions to ask when we get into commitee I shall try to answer them.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Remuneration of members and secretary.*

Mr. Nowlan: I wonder whether the minister would give us the details of the bill at this time. He said he gave a fairly protracted statement at the resolution stage. I was here when he spoke at that time and I thought his statement was merely an outline such as one usually gets at that stage. He did not deal with the details of the bill at all, and I should like to have him make a statement at this time.

Mr. Prudham: Mr. Chairman, I have no further elaboration to make. If the hon. gentleman cares to ask any questions on any section of the bill I will try to answer them.

Mr. Nowlan: The explanatory note says that the bill is simply to provide for the remuneration of the examiners on an annual basis. I think the minister told us there was some question before as to how they were being paid, and that it was felt it would be better if they were dealt with on this basis rather than in accordance with the situation that prevailed prior to the introduction of the amendment. Could the minister elaborate on that?

Mr. Prudham: For many years the examiners have been paid on the basis of the sittings of the board; and as a great deal of this work has to be done privately by the individual members of the board, usually on their own time at home in the evenings, it has been very difficult to establish for the purposes of the Auditor General exactly what a sitting is. Over the years they have been paid on the basis of so much per sitting, and the total annual payment to each member of the board has averaged around $750.

A couple of years ago the Auditor General suggested to our department that we might be somewhat out of order and not acting strictly according to the provisions of the act, and that we should make a change. It is for that reason that we are bringing in this amendment at this time, in order that the examiners may be paid on an annual basis, which relates very closely to the amount that has been paid in the past.

Mr. Nowlan: Section 7 of the act, which is amended by clause 1 of the bill, refers to members or temporary members of the board. The wording of the new section 7 as provided by clause 1 of the bill is:

> Every member or temporary member of the board and the secretary of the board, whether or not he is employed or paid in any other capacity in the public service of Canada, may, in respect of the performance of his duties and functions under this act, be paid—

Then it goes on to refer to remuneration at an annual rate to be fixed by the treasury board and, of course, his actual living and travelling expenses while away from his normal place of residence. Frankly I am not clear in my own mind as to the distinction between members of the board and examiners who are referred to in the next clause. We are not confronted with that clause at the moment but we will be shortly, and it refers to special examiners other than members of the board. Just what are the functions of the board with respect to examinations? What else do they do and what is the difference between an examiner and a member of the board?

Mr. Prudham: The chairman of the board is the surveyor general and the other two members are at the present time and have been for many years employees of the department. A special examiner would be a man who would conduct an examination say in Vancouver, Calgary, Edmonton, Winnipeg or some other point where there were a number of applicants for examination. It has been found more economical to pay qualified land surveyors who reside in that area than to send one of our examiners from Ottawa, with all the expenses of travelling. It is for that reason we provide for special examiners.

Mr. Nowlan: What are the functions of the board, Mr. Chairman, other than the conduct of these examinations and the licensing of what used to be dominion land surveyors? Do they receive any salary or remuneration as members of the board other than that which is indicated by this bill for their services as examiners?

Mr. Prudham: No, Mr. Chairman.

Mr. Nowlan: What other work has the board? Is the board simply for the purpose of examinations or do they have other functions in connection with the Canada Lands Surveys Act?

Mr. Prudham: Well, Mr. Chairman, the work of the commissioners—

Mr. Nowlan: I am speaking of them as a board, not as individuals.

Mr. Prudham: They have no other duties as a board, although they are paid as civil servants for other work in the department.

Mr. Nowlan: They are officials of the department who are paid in connection with their appointments in the department and then they, as individuals, sit on the board.

Mr. Prudham: Yes.

Mr. Nowlan: And the functions of that board are to conduct examinations for certificates?

Mr. Prudham: That is right.

Mr. Nowlan: And the proposal now is to pay them annually rather than on a per diem basis as had been done heretofore?

Mr. Prudham: That is right.

Mr. Bryce: Has the chief examiner a full-time job?

Mr. Prudham: The chairman of the board of examiners is the surveyor general of Canada. This is only part-time work for him.

Mr. Bryce: You are going to change from this per diem allowance and give them so much a year, is that it?

Mr. Prudham: That is the purpose of this amendment.

Mr. Bryce: Are there any extras going to be employed or will there be the same number of men? What benefit will be gained by paying them on a yearly basis instead of a per diem?

Mr. Prudham: As I explained before, it is because of the nature of the work. They have, first of all, to meet as a board and decide in a general way what should be the framework of the examinations for the current year. Perhaps the members of the board will be assigned the preparation of different examination papers, and that work is usually done after hours at home where they are able to concentrate. Then after the examinations are conducted and the applicants have written their examinations, there is the long and tedious work of marking papers and classifying them. This work is done much more adequately by all members working individually than it would be if they worked together around the table as a board.

Mr. Bryce: How many members are there on the board?

Mr. Prudham: There are three.

Mr. Bryce: Does that include the chief surveyor?

Mr. Prudham: That is right.

Mr. Nowlan: I wonder, Mr. Chairman, if the minister could tell us how many applicants wrote the examinations last year, and how many times the examinations were set? Are there regular times for setting these examinations or does it depend upon the number of applicants?

Mr. Prudham: The examinations are usually held on the first Tuesday in February. Last year there were 93 applicants.

Mr. Nowlan: There is no other classification besides the degree, I take it; or are there various stages such as those in connection with a chartered accountant?

Mr. Prudham: There is the one advance examination for a topographical surveyor, and only 32 have qualified for that certificate since 1875. It is a very advanced certificate and very few attain it.

Mr. Nowlan: Could the minister tell us how much was paid last year for services in connection with these examinations on the basis which existed up until this time?

Mr. Prudham: They received $750 per member.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENT TO EXTEND APPLICATION TO THE YEARS 1957 AND 1958

Hon. George Prudham (Minister of Mines and Technical Surveys) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1957 and 1958.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Nowlan: Is the minister going to make a statement on this, Mr. Chairman?

Mr. Prudham: Mr. Chairman, this resolution proposes very briefly to extend the provisions of the Emergency Gold Mining Assistance Act at the same rate and under the same regulations for the years 1957 and 1958. This Emergency Gold Mining Assistance Act came into operation in 1948, and with certain changes in formula it has been assisting the gold mines since that date.

The emergency, so far as the gold mines were concerned, was due to rising costs of labour and materials and the fixed price for gold at $35 United States funds per ounce. During the war the gold mines had been restricted in obtaining certain materials, and consequently production was less than it could have been under normal circumstances. The payments under the act were to meet emergency conditions and to compensate, in some measure, for the restrictions that had been imposed.

The emergency, so far as rising costs and the fixed price for gold are concerned, still exists. There are many communities dependent solely on gold mining and it is proposed, therefore, to extend the period of time for another two years, 1957 and 1958, at the same rate that prevailed for 1955 and for this year, 1956.

Payments under the act have always been based on a formula which has two factors, namely the rate of assistance and the number of assistance ounces. The formula now in effect, and which this bill will extend for two years, is two-thirds of the amount by which the average cost of producing an ounce of gold exceeds $26·50 multiplied by two-thirds of the production in the designated year. The maximum assistance payment is $12·33 an ounce.

Applications for payment in any year are received up until June 30 of the following year. Advance payments are made on an 80 per cent basis, pending an audit of the gold mining company's books by the cost inspection and audit division of the Department of Finance. When the audit is completed the final payment of the 20 per cent holdback is approved. Under these conditions final payments are not yet complete for 1955 but payments are expected to be in the neighbourhood of $9,300,000.

Emergency Gold Mining Assistance Act

In 1954, under a formula which gave greater payments, the total cost when the final settlements are made is expected to be about $16,300,000. In 1953 payments amounted to $14,652,080.26. Payments have varied from a low of slightly under $9 million in 1950 to a high of more than $16 million in 1954. The rate of payment per ounce produced in 1954 was $4.22 and in 1953 it was $4.61, the highest rate ever paid.

Payments are made only to mines whose production of gold is 70 per cent of the total value of their output. In 1955 five lode mines suspended operations while one other mine was absorbed by the parent company. One new lode mine came into production in 1955 and one mine elected to sell on the free market and was ineligible for assistance. No mines were on the free market in 1954. Production of gold eligible for assistance payments under the conditions outlined were 3,795,248 ounces in 1954 and 3,301,501 ounces in 1955. No payments under the Emergency Gold Mining Assistance Act are made for gold produced as a by-product recovered in the smelting of gold-bearing base metals. Thus, the gold that qualified for assistance in 1954 was 86·9 per cent of the total gold production, which amounted to 4,366,440 ounces, and in 1955 the corresponding figure was 72·4 per cent of the total gold production of 4,556,400 ounces.

The gold mines have made strenuous efforts to decrease their operating costs, and with marked success. They have done very well. There has been an increase in grade of the ore found in several mines, and on a recent trip up through the Red Lake camp I was pleased to note that many of the mines there have improved their position. One mine in the Northwest Territories has a very high-grade ore and is doing very well without gold mining assistance. In 1957 there may be as many as seven mines which, on account of the costs of production decreasing, will receive either no assistance or just a very small amount under the terms of the act. Other mines, however, are in a life and death struggle for existence, and some may have to close in the next two years.

It has been estimated by officers of my department that if assistance payments were discontinued at the end of 1956, when the present act expires, 18 or 20 mines with an annual production of about 700,000 ounces of gold would quite likely close after a two or three years' salvage period. During the salvage period the gold now in sight would be mined but no new ore would be sought by further exploration. These mines when closed would be permanently lost.

Emergency Gold Mining Assistance Act

For the past several years there has been very little prospecting for or development of new gold mines, and the number of gold producers dropped in 1955 to fewer than half the number producing in 1941, the peak year of production. Most of the potential gold mines which are in the development stage are located in or near proven gold camps, and there appears to be little interest to move beyond those localities. Many of the gold mines, in fact, have used money received from gold production to go into other mining ventures. I think we are all familiar with the names of the mines. Gold mines have branched out into other fields such as iron, oil and uranium development.

I could name several mines but I do not think it would be wise for me in my capacity as Minister of Mines and Technical Surveys to name any mines specifically. I do say this, that the companies that are engaged in gold mining are really mining companies and in many instances they have plowed their profits back into further exploration and new development of base metals as well as gold.

It will be apparent that the continuation of the emergency gold mining assistance has aided many of the gold mines to remain in operation so the communities dependent on them have continued to maintain a reasonable standard of living. It has provided money for new mining developments, as I have said, and they have contributed in this way to the general prosperity which mining is now enjoying, and which has been reflected in the economy of Canada.

The contribution of the gold mines to the Canadian economy can be summarized in a few sentences. The amount of new wealth produced in gold in 1955 was valued at $157,305,152. Salaries and wages paid in 1954 were $63,578,156; fuel and electric power purchased amounted to $6,987,528; plant and equipment installed amounted to $6,385,260, and other supplies purchased amounted to $38,814,500. It is estimated that the total number of employees in 1954 was almost 18,500.

Since the inception of the gold mining assistance in 1948 the amount paid out to March 31, 1956, is over $90 million. This applied to 26 million ounces, or an average of $3.48 an ounce. It is calculated that payments in 1955 will probably reach $9,300,000.

It is expected that if production costs remain the same for 1957 as for 1955 the cost of assistance in 1957 will be approximately $8,600,000. This decrease from the present estimate of $9,300,000 in 1955 and $8,900,000 in 1956, even though it is at the same rate as provided at the present time, is due to the fact that several mines are now mining better grade ores and therefore will receive less help and, as I said before, a few will probably go out of existence.

There has been a marked improvement in efficiency in the last few years and for this the management and the men deserve a great deal of credit. Increased costs for the coming year, of course, would tend to increase payments under the act, but I predict that the present trend toward lower payments under the act will continue.

Gold mines are continuing to make, as I said before, a very valuable contribution to the over-all economy of Canada, and we think the further aid for the years 1957 and 1958 is entirely justified.

Mr. Nowlan: Mr. Chairman, certainly the minister does not have to make any apology for the value of the gold mining industry in Canada. We all realize it is one of the great mining industries of this country, and one which has made a real contribution. I am certainly not going to debate the merits of this resolution at the moment, because even if I wanted to I would not have the qualifications so to do. When the bill is before us on second reading those hon. members who have more knowledge of the industry than I have will be able to discuss the bill on its merits.

As I understand it what we are doing now is extending the life of the bill for a further two years, and the bill itself is being continued in terms exactly the same as heretofore.

It is somewhat of a play on words, I think, Mr. Chairman, to have the title of this bill "The Emergency Gold Mining Assistance Act". The minister has told us the emergency arose during the war when the price of gold was fixed at a certain price and when the costs of labour were increasing. Well, the price of gold is still fixed and labour is still going up and up and is much higher than it was at the time the bill was originally introduced. Possibly some consideration could be given to changing the name of the act.

I am reminded of the wartime income tax act which was introduced in 1917 as a temporary measure during the first war and was continued under the same name until about three years ago, when we finally dropped the word "wartime" out of the title and put it on the straight basis of the Income Tax Act. It may be that if this act is to be carried on it should not be called an emergency act but that some consideration should be given to changing the title to put it on the other basis.

Certainly the contribution which has been made by the industry, as the minister said,

has been substantial. The amount we are apparently paying this year is going to be quite a bit less than last year. One is faced with the possibility which the minister suggests of a substantial number of mines perhaps closing during the year. Some of these, of course, are probably on a temporary basis, where only camps have been established, but in other cases full communities will be threatened by the closing of these mines. It presents a problem to the minister in the administration of this particular industry which I think is something that has to be dealt with on more than an emergency basis or from instalment to instalment as the minister proposes to do just now. I presume the bill is being extended for two years rather than one so that the industry will have some idea of continuance or permanence for a period of two years. That in itself is a very short time during which one can make plans.

I realize, too, of course, there are other mining industries as well as gold mining which are facing trouble and disaster, and there is one on which some of us could talk more competently than on this. When I see the figures paid out here I am also reminded of the assistance on a comparative basis; I can make a mental comparison with amounts paid out to other mining industries. As I said, I certainly am not trying to discuss the merits of this at all. I simply say that when the bill on which this resolution is based comes before us for second reading we will then have an opportunity to debate its merits and the application of the general principle as such, and I shall reserve any further comments for that debate.

Mr. Rea: Mr. Chairman, I would like to ask the minister a question. I understand those mines which have taken advantage of the free market to sell gold cannot get any assistance under this act. If that is so why should they be penalized by not being allowed to sell gold in the free market which they have not been able to do since the spring? I understand those which did that are not to be allowed any assistance under this act.

Mr. Prudham: If a mine elected to sell on the free market it would be for one reason only, and that was to get a higher price; therefore it would not need the assistance. That is the only reason a mine would elect to pass up assistance and go on the free market.

Mr. Rea: They might not get as much assistance. Is there not a way that can be worked out whereby if they got part of it they would get half the assistance? In other words, why penalize them and make the government pay the extra cost? You say you are paying about $3.48 an ounce. If they could get an extra $1.50 it would only cost the government the difference between $1.50 and $3.48. There is no reason why that could not be done. It might save the government some money and give the mine a chance to make more there.

Mr. Prudham: A mine has the option of electing to go on the free market with one month's notice, but if its costs were below $26.50 it would not be eligible for assistance. Also a mine has the privilege of delivering its production to the mint or selling it elsewhere on the free market if it so wishes. I do not know if that answers your question.

Mr. Rea: I agree. I quite understand what the minister is saying, but I still cannot get over the fact that if a mine can sell its gold on the free market for say $1.50 an ounce over and above the cost of $26.50, it should be penalized and the government does not pay the $3.48. Perhaps the government would only have to give them $1.50 or less an ounce. We want to stop as much subsidy as we can and yet keep them in business. I think perhaps you are following what I have in mind. Let us suppose they do sell and the government then only needs to give them $1.50 an ounce to make up what they would be getting if they did not sell on the free market. Is there any reason why that could not be done?

Mr. Prudham: You need to have a cut-off point somewhere or you would run into impossible administrative difficulties.

Mr. Rea: You have bookkeeping systems now with the mines. This would be just a bookkeeping entry.

Mr. Prudham: I do not know; it is quite a complicated procedure even now.

Mr. Rea: Not any more complicated than keeping track of the costs. You would be just keeping track of sales.

Mr. Prudham: I do not know why a mine would elect to go on the free market if it could make more money by drawing assistance. I do not think it should have it both ways.

Mr. Rea: We do not know what the free market might be. It might be a good thing to have them try it. We do not know what the free market is going to be. I think you will agree that no one knows yet.

Mr. Prudham: A mine has the option of reverting to either the free market or gold mining assistance on one month's notice. I think that is fair enough.

Mr. Rea: In other words you are penalizing those mines which do not have as high grade ore; they are being penalized in the possibility of creating a market for their product in some

other way. There are all sorts of ideas, as you know. They could perhaps decide to make $50 gold coins and sell them to the public and they might create quite a good market, we do not know. They are being penalized because they have low-grade ore. I do not think the idea of the government is to penalize; I think it wants to try to create a free market, as you suggested in the spring. I do not see why you have to cut it off there. Why can you not do it on a graded scale?

Mr. Barnett: As I understand the introductory remarks made by the Minister of Mines and Technical Surveys, Mr. Chairman, in effect he is asking parliament to extend the Emergency Gold Mining Assistance Act on the basis of the formula which was adopted the last time the act came before the house for revision.

It seems to me it is perhaps regrettable that the minister is bringing in the request at this time inasmuch, as the minister said, we have not received a report which indicates in any detail the operation of the act over the past year. In other words, as I understand it we are not really in a position to make a detailed examination of how the current formula under the act is working out across the country in comparison with how it worked out under the basis of the previous formula.

I believe the minister did make certain general observations and some reference to one or two mines, but I think it would be advantageous if we could have a detailed statement, at least before second reading, as to how the act has been working out for the different mines which are receiving assistance. I think we should have that information before we are asked to extend the act for a further period of two years.

If I recall correctly, the mines have until June 30 of the year following to make their applications for assistance, and perhaps that is one reason we have not before us detailed information of the kind I have been referring to. It seems to me that period is unnecessarily long and that a period of three months, or up to March 31, should be adequate for the making of application for assistance by any mining corporation. If that had been the cut-off date, then the government would have been able to give us a more detailed statement as to the operations of the act. I hope the minister will be able to cast some light upon the situation, and perhaps he will indicate what additional information he can give us to that contained in his introductory remarks.

I would remind the committee that the application of the Emergency Gold Mining Assistance Act is of interest to a great many people besides the mine operators. This is a matter of concern not only to the directors and shareholders of a mining company but also to its employees. I think the minister will recall that such support as he has received in previous years from this corner of the house when similar bills have been before us has been based upon his argument that this assistance would be of some benefit to the men who operate and work in the gold mining industry. These men are concerned with knowing what assistance the mines are going to receive under the act.

We feel that when funds are coming from the public treasury for the assistance of gold mine operators the amount should be decided upon as quickly as possible after the termination of each year's operations so that when the bargaining agents for the employees go into negotiations with the employers they will be in a position to know exactly the position of that mine relative to the assistance received under the act. In carrying on negotiations with mining operators and others, unions have found that negotiations could be carried forward on a sounder basis if the companies were prepared to make clear their actual operating positions and their ability to pay. As hon. members of the committee are well aware, by and large that sort of request is still met with an adamant negative on the part of the operators.

It does seem to me that where public funds are involved the one concern of this parliament should be that the people working in the industry get a fair break. I throw that forward as a suggestion for the consideration of the minister, so that when the bill is brought in he may consider shortening the period in which applications are allowed, for the reasons I have advanced.

Mr. Quelch: Could the minister say how many operators have elected to sell on the free market and what is the highest price that has been received during the past year on the free market?

Mr. Prudham: Only two mines sold on the free market last year, and we do not know what price they received. Those mines were not receiving assistance during that year because their costs were less than $26.50.

The hon. member for Comox-Alberni has pointed out that we should have some concern for the workingmen. That is exactly the reason this act was brought in in the first place, and why we have been arguing that it is really a measure to maintain employment in these communities. We believe that the results to date have justified the expenditure of money that has been made. In many instances these communities have been preserved and enabled to carry on. In several

instances a mining company has been able to establish operations in base metal mining, probably in the same community, and has invested in other types of mining in other parts of the country, all of which has resulted in the maintenance of employment in the industry.

Mr. Low: Am I to understand that the free market in gold has not diminished the number of requests for subsidy thus far?

Mr. Prudham: For the simple reason that it is not profitable to sell on the free market. There was a period about three or four years ago when there was a lot of speculation on the free market and operators were tempted to forego assistance and sell their product on the free market. But I understand that conditions have settled down.

Mr. Barnett: Will the minister give consideration to the point I raised about shortening the time for making application?

Mr. Prudham: This department would be quite pleased if we could shorten the time; but gold mines, especially placer operations, are scattered in the far corners of this country. Many of them are small operations and it takes time for our auditors to visit them to make a final audit. They make interim inspection trips, as do our engineers, and an assessment of the development of reserve ore is made. A mine is not allowed in any one year to increase the proportion of its reserves in relation to its production beyond a reasonable relationship with what they had when they came under gold mining assistance in the first place. It is a complicated and, I think, of necessity a long drawn out operation. If we could shorten it our department would be very pleased to do so.

Mr. Barnett: How many placer operators are now receiving assistance under the act?

Mr. Prudham: There are two major placer operators and eight or ten small ones at the moment.

Mr. Low: Does the minister see any possibility in the foreseeable future of being able to discontinue this assistance? I am not arguing at the moment that it should be discontinued now. Perhaps under the circumstances it is inevitable that we continue it at least until either costs are down sufficiently to make it possible for the miners to operate profitably or, in the alternative, a more profitable market is created. It would have to depend on one or both of those things. Does the minister foresee a time when we can get rid of this assistance?

Mr. Prudham: Our maximum payments were over $16 million; we are now down to around the $9 million mark, and we foresee the cost coming down to less than $8 million or around the $8 million figure. We think the mines are making very good progress toward self-sufficiency under this act. That is one reason we are extending it for two years, to give them some security, so they can plan their operations more efficiently and plot their development work to get the maximum results. We are very pleased at the way it is going, and we are confident they are moving toward self-sufficiency.

Mr. Low: I have just one more question. I am sorry but I did not quite hear all the minister said in his parliamentary statement, as there seemed to be a good deal of noise. It occurred to me then to ask how many men are employed in Canada today in the industry.

Mr. Prudham: About 18,500.

Mr. Quelch: What percentage of the companies are receiving assistance, and what percentage are subsidiaries of United States companies?

Mr. Prudham: I have no information about that.

Mr. Quelch: I would be rather interested to learn to what extent we are subsidizing United States companies under this act.

Mr. Rea: I noted the minister said that the subsidies had gone from $16 million to $9 million over a certain period of time. Would he state whether in his opinion that is due to the efficiency of the operation of the mines, or have many mines closed up?

Mr. Prudham: The change in the maximum amount paid is related to our rate of payments to a large extent, and also the reduction in costs is due to improved efficiency.

Mr. Regier: The minister mentioned that about 18,000 men were employed in gold mining. I am sure he does not mean to say that 18,000 gold miners are being assisted by means of a subsidy. I believe that a goodly number work in mines that do not receive a subsidy. Could the minister give us any indication of the number of men who are thereby being retained in employment? Is it one-half or is it only one-quarter of them, or perhaps only 1,000?

Mr. Prudham: I cannot tell exactly but, as I mentioned in my statement, about 72 per cent of the total production is assisted. Whether or not that relates directly to employment, that gives a rough idea.

Mr. Hamilton (York West): I am trying to tie down whether it is an increase in efficiency that is causing a decrease in the

number of claims, or at least a decrease in the amount paid. Is this figure of 18,000 a constant figure, or have you any figures to show how many people have been employed in this industry over the past two or three years?

Mr. Prudham: I think when the act came into force there were about 22,000. I cannot give you the figures progressively, but that is approximately what the reduction has been.

Mr. Hamilton (York West): Although you were not able to give us the figures of mines closed, there has been a decrease in the number of people employed to the extent of about 4,000 over the past ten years, is that right?

Mr. Prudham: I would say over the past six years. My figures would indicate about 3,500 of a reduction.

Mr. Hamilton (York West): At the same time has there been a corresponding decrease in gold production? Is that going down?

Mr. Prudham: No, it has gone up.

Mr. Hamilton (York West): So there is increased efficiency then in connection with the operation of the companies that are claiming assistance?

Mr. Prudham: Yes.

Mr. Hamilton (York West): I think we are all very much interested in this, and I subscribe to the view that it is very beneficial to have this act extended for two years so there can be planning here. I think all of us agree that it is of benefit not only to the people who are in the mining industry but to the thousands of people dependent on the trade which is generated through these communities.

A great number of the mines are probably in fairly inaccessible areas. I wonder whether the minister has given any consideration, in connection with the assistance that these people may need, to improvement of transportation or the lowering of transportation costs. It seems to me that if these mines were made a little more accessible or if there were general thought given to improving the conditions and the accessibility, we might find a greater number improving their operations and there might be an indication of more that could go into production. Perhaps there is an indirect way here in which these people could be helped.

Mr. Prudham: I think the formula provides for that. We may assume that the mine in the inaccessible place has a higher cost, including transportation, and therefore would get more assistance under the act.

[Mr. Hamilton (York West).]

Mr. Hamilton (York West): In other words the formula does cover the question of transportation costs in addition to the actual production?

Mr. Prudham: Yes.

Mr. Regier: I wonder whether the minister can tell us whether any thought has ever been given to this phase of the problem. I notice that even if we say that 16,000 miners are being helped thereby, the sum of $8 million means $500 per miner. We have been doing this for some eight years. That is a grand sum of $4,000 per miner. What I have in mind is whether any thought has ever been given to spending $4,000 on each miner working in these marginal mines and attempt to rehabilitate him to some other area of Canada or in some more profitable undertaking.

Mr. Prudham: If we did that we would destroy the communities. The actual number of people working in a mine does not by any means represent the number of people that benefit. I have read many times that for every man underground there are at least four people employed on the surface. Further, whole communities depend on the existence of these mines. I am sure that my hon. friend from Timiskaming, when she gets an opportunity, will tell you about that. I think there is ample justification for maintaining those communities in the north. They are helping to roll back our frontiers. As I said before, they are not only engaged in the search for and the production of gold, but their efforts also lead directly and indirectly to the development of base metals and forestry. They consume large amounts of pit props and other lumber, steel and electrical goods. This aid is by no means confined to the actual miners who work in the pits.

Mrs. Shipley: Mr. Chairman, following the last question by the hon. member for Burnaby-Coquitlam, I think it is high time that somebody from the mining areas had a word to say. I was waiting until the questions were over, and had thought that perhaps I would speak on the next reading of the bill. You know, it is a simple thing to say, and it sounds like an easy solution; why do you not take $4,000 in the first place and rehabilitate these miners?

Mr. Regier: On a question of privilege, I did not offer that as a solution. I only asked whether any consideration had ever been given.

Mrs. Shipley: Oh, quite. I was not trying to imply in any way that the hon. member had said that was what should be done, but

it is a simple thing to ask if it has been considered. However, if the hon. member knew the miners I think he perhaps would not make such a suggestion. After all, the men and women in these areas have everything they own in this world invested in these communities. They have worked there for years. We have millions and millions of dollars invested in first class schools, water, sewers and all sorts of sanitary facilities, churches, all those things that go to make modern municipalities. We grew very rapidly at one time, when the federal government asked us to expand the production of gold as quickly as possible because they needed the money to pay for war supplies. That caused our municipalities to expand very rapidly and, I might say, put us very much in debt. However, every available bit of manpower and mining ability was put into meeting that request. It was made at the time when Mr. Ilsley was minister of finance, but I have forgotten the year.

In these communities we also have extensive business sections. We have some secondary industry, most of which is entirely dependent on the mining industry. But in the outlying areas in my particular part of Ontario we have a peculiar land formation. Around Cobalt we have solid rock. If you wanted to have a little vegetable garden you would have to drag in the earth. Just north of that we have what is called the small clay belt. It has some of the finest soil you can find in any country in the world. The people there grow wonderful vegetables, but not in large enough quantities to justify the establishment of the costly storage facilities you would have to have if you were going to hold over your root vegetables in order to export them when you could get a good price. This clay farming area depends on the mining municipalities nearby for its markets. In a sense the people there are just as dependent on the mining industry as are those who actually work in the mines.

North of that clay belt we have the Kirkland-Larder mining area which is almost solid rock with no soil at all. North of that again, and running into the riding of my colleague the hon. member for Timmins, we have a sand belt, and then a rocky belt and then the great clay belt. This part of Ontario will one day be one of the finest parts of Canada, and not only just for mining. We have not exhausted exploration for mines in that area, and I do not refer particularly to gold mines. In certain parts of the area those who explored for gold mines found and developed great base metal mines, and the search still goes on.

It is our hope, and I hope it is the hope of other hon. members—in fact, you have always been most sympathetic to our problem—that either the price of gold will go up or that costs will go down, but we do not really expect that costs will go down because that would mean a depression. Actually our main hope is an increase in the price of gold, which is not an impossible thing. Today the price of gold is determined by the United States government. It used to be determined by the government of Great Britain. It may be that overnight we will have an increase in the price of gold, and then we would not need any help.

This assistance is given in such a manner that only those mines that need it in order to keep operating receive it, and they receive it in varying amounts based on need, that is, their cost per ounce of gold produced.

The question was asked whether consideration has been given to moving these people. How could you compensate; what would you do with the thousands of people we have in these mining areas? Surely it would not be expected that they would give up all their life savings. The provinces are primarily concerned in the situation, and in my case it happens to be the province of Ontario.

Actually I think what should be done is that at this time we should have a most influential committee to study ways and means of establishing secondary industries in these communities, if necessary by subsidy in the beginning if you wish to call it that, before it is too late and we have a serious problem on our hands.

I have more to say, but I should like to speak at a later time when I have heard what others have to say.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Harris: Just before we begin may I say that upon completion of the discussion of the resolution we are now considering the house will, by consent, go into supply, without this particular motion being counted as one of those which is referred to in the rules, and we shall then consider the estimates of the Department of Transport.

Mrs. Shipley: When I was speaking just before the dinner hour, Mr. Chairman, I was speaking in particular to the suggestion made by the hon. member for Comox-Alberni. He had asked the Minister of Mines and Technical Surveys if his department had ever given

consideration to computing the amount of money per employee given in gold mining assistance in Canada, and rehabilitating the miners elsewhere. I had pointed out the buildings, the sanitary services and so on existent in those cities. In Ontario alone we have two cities entirely dependent on the gold mining industry, the city of Timmins in the riding of my colleague from the constituency of Timmins, and the city of Kirkland Lake, although it is not incorporated as such, in the riding of Timiskaming. There are many, many smaller villages, towns and hamlets.

The hon. member for Comox-Alberni made it quite clear that this was only a suggestion. I should like to suggest to the hon. member for Comox-Alberni that every session since I have been here, and it is true I am but a novice, we have spent almost 50 per cent of the time of this house in discussing the plight of the western farmers. I understand that during election times in the west certain members of a certain party, and one in particular of the party to which the hon. member belongs, object rather strenuously to the assistance that has been given to the gold mining industry. One of the things they say is that you cannot eat it, and they say many other things that are rarely cited in this house.

I just wonder what the hon. member would think if those of us who do not grow wheat suggested that all the proposals from his party would not mean a thing unless this government felt the western wheat farmer was entitled to assistance. What would he think if we suggested, or if I suggested for instance that, after all, according to his party we have difficulty in selling wheat and a major difficulty exists in some areas represented by members of his party, and that we should take the $4,000—I think that was the sum he suggested—and rehabilitate those farmers in some other industry.

Now, of course, I would not be stupid enough to make such a proposal. I worked on a farm myself, and I know that land means everything to the man who is on it. I do not concede we have too much wheat. In spite of the crying to which we have listened hour after hour and day after day in this house about what this government was doing in selling wheat the Minister of Trade and Commerce, who said he would take care of the wheat, has been able to take care of it in the face of serious problems. But day after day we have listened to the cries from these areas. I am rather amazed that the hon. member, who appears to be so sympathetic to the problems facing the individual farmers, would be so lacking in consideration and thoughtfulness for the individual miners. Believe me, the miner works no less hard than the farmer.

[Mrs. Shipley.]

Mr. Barnett: About which hon. member are you talking?

Mrs. Shipley: I was talking about you. Go ahead and ask the question. Are you the member for Comox-Alberni or Alberni-Comox?

Mr. Barnett: Comox-Alberni. I was just trying to recall when I have been talking about the plight of the western farmer. My colleague the hon. member for Burnaby-Coquitlam did say something about $4,000 per miner earlier this afternoon. I am slightly puzzled as to which member the hon. member has been referring in her recent remarks.

Mrs. Shipley: It does not make much difference; it was a member of your party.

Mr. Winch: It does not make much sense, either, the way you are putting it.

Mrs. Shipley: It will in just a moment. Who said that? Was that the hon. member for Vancouver something?

Mr. Winch: It is not Vancouver something. It is Vancouver East, a very important area.

Mrs. Shipley: I assure the hon. gentleman I did not use the term "something" in that sense. I find it very difficult, this being my first session, to remember exactly where people come from.

Mr. Winch: Wrong again; it is your third.

Mrs. Shipley: It is my first parliament; you are a great stickler, but that is all right. I am used to the hon. member. I sit on a committee with him, and I know he can be such a stickler.

I am sorry; the hon. member for Burnaby-Coquitlam made the statement, but it is quite all right. I meant every word I said. We will apply it to the hon. member for Burnaby-Coquitlam. Now, you have disrupted my train of thought and I may have to repeat it so that even the hon. member for Vancouver East can understand the point. As I was about to say, we have listened with great patience and understanding because the members of that party are not the only ones who feel keenly about the plight of the farmers. This government has done many things for the farmers. I will admit that occasionally some of the people in this part of the country say if we can do so much for the farmer, why can we not do something for this group or that group?

Here we have a subsidy, and we dislike subsidies just as much as the western farmer does. I know farmers. They like to be independent. But no matter what we do, from some of the speeches made by some of the

members in the C.C.F. party and the opposition it would appear that it is not enough. We have done a great deal. If you divided what we have done over a four-year period by the number of farmers concerned, I am sure the total would probably equal the total quoted by the hon. member for Burnaby-Coquitlam. We would not suggest for a moment that as an argument against doing what has been done for the farmer. What has been done for the farmer has been done with 100 per cent co-operation from the members on this side of the house. I am confident that we will continue to do what should be done for all phases of the economy of this country to keep Canada strong.

Here we have the gold mining industry which, as I explained before dinner, has been at the will of government, not solely this government but international government. The price of gold is something over which this government has no control. At one time, and I told you about that before dinner, we were asked to expand rapidly and produce as much as we could. We did that. Then all of a sudden gold mining was not a war essential and all our supplies and our labour supply were cut off. In the meantime municipalities had flourished.

I remember that last year when this bill re-establishing the assistance for two years was under discussion there was much talk on the part of C.C.F. members about this government establishing a special committee to investigate the gold mines, as to their financial problems, the needs of the municipalities and so on. They were told at that time that the type of investigation primarily desired was of provincial matters, and such a committee was subsequently established by the premier of Ontario.

The report I have is a gold mining and economic study in Ontario. The chairman of this committee was Professor F. A. Knox, head of the department of political and economic science, Queen's University, Kingston. The members were Professor E. E. Reilly, professor of economics, University of Western Ontario, London, and Professor H. R. Rice, head of the department of mining engineering, University of Toronto, Toronto. The secretary was James Johnston, Stratford. This is the final report they made to the premier of Ontario and to the government. I am going to tell you more of this report later, but at this stage of the discussion I should like to read from page 48, where they state:

> Although gold has been produced in many parts of Ontario, 82 per cent of it has come from the Porcupine and the Kirkland Lake camps.

The Porcupine camp is situated in the riding of my colleague the hon. member for Timmins, and the Kirkland Lake camp, normally known as the Kirkland-Larder camp, is in my riding. I continue:

> In 1954, these two camps still produced 62 per cent of the province's total. They supported 55,000 or 79 per cent of the 70,000 population of Ontario's "gold mining" communities. By their size alone, they present the major problems of adjustment to changing gold mining trends. Their largest communities, Timmins and Kirkland Lake, would show the most significant impact of any unfavourable shifts. While both of these are almost solely dependent upon the one industry, they do not depend on any one mine.

Kirkland Lake is my home town. Further down on page 49 I find the following:

> Because of the lack of alternative occupations in the area, the miner and his family are especially dependent upon employment in the mines. There are few jobs for young men and almost none for young women. The tax base of the mining municipalities is therefore uncertain also.

That is another problem which I shall not discuss at this time. Although the hon. member for Burnaby-Coquitlam did ask the question, I am sure if he gives the matter a little thought he will realize that he should not suggest such treatment for people who have lived in these communities. I am one myself, though I was not by any means a newcomer. In 1927 it is true the town was in its very beginning. We had no streets, no sidewalks, no sewers, no running water, nothing of that kind. Today it is a modern city, and there are people who have been there 12 to 15 years longer than I.

These people have paid their taxes to build one of the finest fire-fighting services in Canada. We have one of the lowest fire insurance rates, and incidentally we have many buildings that are greater fire hazards than one can find in the whole city of Ottawa, but we have one of the lowest fire losses in the country. Therefore you know how good the service is.

We operate a fine police force. We have built roads, sewers, water mains, churches, schools, and so on. We paid for these as we went along. Hon. members across the way know that in the early days the wages paid to gold miners were the highest in heavy industry in Canada, but for some years past they have been by no means the highest.

We paid. It costs six times as much to put a sewer through one yard of rock as it does to put it through loam or soil. We paid for that, we the people and not somebody who made a million dollars and lives on James street in Montreal or Bay street in Toronto. They do not compose a fraction of one per cent of the people involved in gold mining. It is the miner, the baker, the housewife, the

school teacher, the street cleaner. We all own shares in these mines and we helped to build the community.

If hon. gentlemen across the way ever think of asking the question, why not take $4,000 and rehabilitate these people, I sincerely hope they will remember that the people who built these mining communities were also the prospectors. They are the people who found the base metal mines throughout this country; they are the people who are making Canada great, and please do not let me hear any more about taking $4,000 to rehabilitate a miner.

Mr. Regier: Mr. Chairman, in the first place I should thank the hon. member for the very interesting political speech we have just heard.

Mrs. Shipley: Mr. Chairman, on a point of order, I never thought more of the party to which I belong, and I object very strongly to my speech being called a political speech.

The Deputy Chairman: I think one can hardly claim in an organization like this that a point of order or a question of privilege arises if either side is accused of discussing politics. After all, if I might say so, what are we here for? The hon. member for Burnaby-Coquitlam.

Mr. Regier: Mr. Chairman, I may not know everything there is to know about mining. However, I can assure the hon. lady that the people of my riding know a lot less about growing wheat and about the problems of the farmer than I might know about the conditions of the miners in her constituency. On the west coast of British Columbia we are about as far removed from the problems of the wheat farmers as any other hon. members in this house. When I asked the minister whether there was any possible hope of finding a better solution of the problem before us I think I was entitled to a little more responsible answer than, again I must submit, the political reply I received. I think the record of the C.C.F. movement on behalf of the workers, and especially on behalf of the miners of Canada, is well known. Back in the early days it was the miners' union that was responsible for the election of the first labour and socialist member to this House of Commons.

However, we have been concerned with what has happened over the years. When we see, for example, in one year the dividends paid out by the gold mining companies of Canada amount to $18 million and these gold mining companies receive subsidies of $16 million from this government, we begin to wonder just what is taking place. If the subsidy is meant for the miner, as the minister indicated was the reason for the legislation, to help the miner, we are all for it, and in this house we have always been in favour of this subsidy.

However, we have sometimes had the nerve to attempt to find out how much of the subsidy is actually received by the miners. We are not at all interested in helping to line the pockets of speculators in Montreal and Toronto. When I referred to the subsidy to the average miner having amounted to the sum of $4,000 over the past eight years I did have in mind the thought that very little of this $4,000 has reached the pockets and the homes of the miners concerned.

The hon. member for Timiskaming mentioned a few possible solutions, and I was keenly observant of the offering she would make. She said that possibly the only solution is an increase in the price of gold. That, I contend, is a whole lot of wishful thinking. As long as one nation of the world has a virtual monopoly on the supply of gold and on balances of trade, that nation is not likely to allow an increase in the price of gold for any useful purpose.

However, I would like at this point to congratulate her. She did propose a second solution, namely the establishment of secondary industry for those people. My only purpose in raising the question in the first place was that I was wondering whether some more useful avenue of helping those people might not be found.

I wanted the minister to tell me whether any exploration in that field has been undertaken. I notice the minister saw fit to have the hon. member supply me with an answer. Perhaps he does not know any more about gold mining than I know about wheat farming; however, I hope we shall not for long continue subsidizing mining companies and have miners working much longer hours than the average Canadian worker is required to work at wages which, as the hon. member admits, are below standard wages.

Mrs. Shipley: No, no.

Mr. Regier: Yet the taxpayer has to pay a subsidy—

Mrs. Shipley: On a point of order, Mr. Chairman—

Mr. Regier: —when these millions of dollars might be found to provide for these people in their own community, or elsewhere as they see fit, some means of employment whereby they can render their contribution to the economy of the nation.

Mrs. Shipley: Mr. Chairman, may I reply to one point. I did not say the wages were below standard; I said they were much lower than they were when we led the field.

Mr. Simmons: I am happy to support this resolution preceding the bill. The minister has explained that all the proposed bill seeks to do is extend the emergency gold mining assistance payments for another two years, namely 1957 and 1958. By making this federal cost-aid policy apply over the next two years instead of only one, it will now be possible for the management of Canadian gold mines to plan their future operations with greater assurance. The two-year extension will serve to strengthen the stability of this industry in Canada.

When this legislation was first introduced in this house eight years ago, we all knew it was not meant to be a cure-all for the troubles that beset this important mining industry. Rather it was planned as emergency help over what was hoped to be a comparatively limited period of years. The industry had been caught in a progressive squeeze between rising production costs on the one hand and a fixed price for its product on the other. That condition still applies, and I assume that some form of federal assistance will be continued to gold mines as long as the industry remains caught in an unfair and ruinous situation.

By this renewed measure of federal aid the government acknowledges that the gold mining industry of Canada is worth preserving and encouraging. It is the pioneer industry of the north country and has done more than any other activity to push back our frontiers of settlement and give Canada depth as well as width. It is an industry that provides employment as well as a market for machinery and supplies. Gold mining is and has been the mainspring of our entire mining economy, especially in the north. The search for gold spurs the search for other minerals.

In 1953, the last designated year under the legislation for which complete figures are available, 20 gold mines in the Yukon territory received a total federal subsidy amounting to $536,954.67. I find that applications for assistance for the designated year 1954 will continue to be received in Ottawa up until June of this year.

There is one strange inherent contradiction in federal gold mining policy in its application to the Yukon to which I wish to draw special attention at this time, which is causing gold mining operators in the Yukon considerable anxiety. Placer gold mining companies in the Yukon receive federal cost-aid assistance, as indeed they should. I fully support this form of encouragement and only wish the amount could be increased. On the other hand, the federal government discourages this placer mining industry by fastening upon it a heavy special tax that has all the earmarks of rank discrimination. I refer to the gold export tax. In its severity and unfairness, as well as its evident contradiction of the purpose of emergency gold mining assistance, this tax provision appears to represent the height of absurdity.

In 1953, for example, one placer gold mining company in the Klondike district paid $20,217 on all gold shipped out of the Yukon, whatever its disposition. This represented over 78 per cent of the year's profit on the company's operations. That imposition is bad enough, but the discriminating feature enters when we realize that the equivalent tax or royalty under the provisions of section 95 of the Yukon Quartz Mining Act would have amounted to $476. For 1954 the equivalent figures are $25,179 export tax on placer gold in contrast to $5,535 on quartz gold under the Yukon Quartz Mining Act.

My contention is that the gold export tax should be reduced in line with the rates of royalty under the provisions of section 95 of the Yukon Quartz Mining Act. The question involves two principles. First of all, is it fair and sound that a depressed industry should be obliged to pay such an exorbitant tax? And secondly, if the royalty is fair and sound in principle, is the amount of the royalty reasonable? I say not.

The gold export tax may have had some justification when it was established in 1897, inasmuch as gold was being shipped from the Yukon to the United States and our government felt Canada should secure some revenue from the tremendous production of gold at that time. Today the situation is much different.

I do not say that this export tax should be entirely abolished. When it was first imposed, gold was being exported from the Yukon to the United States and it was felt that the people of Canada should derive some financial benefit from the depletion of the mineral resources of this country. But let me again reiterate that the present rate of this so-called gold export tax is a heavy and unfair burden on placer mining operations and should be sharply reduced, at least to the point where it is at the same level as taxation on the product of gold quartz mining activity.

This appeal has the support of three major business organizations of this country. I refer to the British Columbia and Yukon chamber of mines and its branches, the Vancouver board of trade and the Yukon territorial council, which on March 28 of this year passed the following resolution:

> Whereas an export tax on gold mined in the Yukon territory was imposed in 1897 to provide revenue from shipments to the United States;

And whereas practically all gold mined in the Yukon today is shipped to the Royal Canadian Mint at Ottawa;

And whereas it is a discriminating tax levied solely on gold shipped from the Yukon;

And whereas it increases the burden of an industry struggling to survive due to ever increasing costs and the fixed price of gold;

Therefore be it resolved that this council recommend that an adjustment be made of the export tax on gold mined in the Yukon Territory.

By bringing the placer gold export tax into line with the tax levied on quartz gold, the government would be encouraging an industry which provides important employment in one of Canada's most northerly communities. Gold mining costs in the Yukon are already high enough. The labour costs of one producer is 70 per cent of the total cost of production. If this export tax is permitted to continue at its present rate serious curtailment of operations may occur.

This export tax on Yukon placer gold, which yields over $40,000 a year in revenue to the federal treasury, has the effect of adding approximately 37½ cents in additional production cost to every ounce of gold produced. There has been no change in this gold export tax provision since 1902. It will not require a change in the legislation, merely a change in the regulations. An amendment to the act itself would be necessary only if the tax were eliminated altogether.

I appeal to the government on behalf of all placer gold mining companies in the Yukon to drastically reduce the rate of the so-called gold export tax to provide encouragement for this depressed mining industry.

Mr. Prudham: Mr. Chairman, this afternoon the hon. member for Spadina asked some questions about the free market, and I am not sure that I was explicit in my answer. Gold mines desiring to go on the free market may do so at the beginning of any quarter in the year by giving 30 days' notice. If they wish to return to gold mining assistance they may do so only on July 1 or January 1 by giving similar notice.

The hon. member for Yukon, who has just spoken, made out a good case for the gold mining industry in his area, but I would suggest that perhaps his remarks would be better directed to the Minister of Northern Affairs and National Resources, as we have no power under this act to deal with that tax problem. I do know that under the Yukon Quartz Mining Act royalties are paid on a profit-sharing basis by the lode mines; that is, royalties are paid only when a net profit is made by the mining company. There is an exemption of the first $10,000, and the tax is graduated from 3 per cent to 6 per cent.

Under the Yukon Placer Mining Act, which applies to placer mines only, a tax is levied on gold which is exported from the territory. That tax is 2½ per cent on all production, but it is based on a value of $15 per ounce which is less than half the current value. Under this method of assessment the tax works out to slightly more than 1¼ per cent on gold valued at $35.

Mr. Simmons: The royalties are levied on bar ounces, not on vein ounces, which equals 1·45 per cent on the gross output, according to the figures I have.

Mr. Prudham: I shall not get into an argument on that because I am not very well informed apart from the terms of the act. The hon. member for Burnaby-Coquitlam asked what we were doing in a constructive way to provide alternate employment for people in the gold mining industry. I would remind him that the geological survey of Canada has about 75 parties in the field this year. Every year they are mapping the geology of Canada and the records, maps and statistics which they have compiled form the basis for a great many mineral discoveries.

I could mention a few recent discoveries which were based on the reports, maps and statistics compiled by the geological survey, in many cases years ago. One outstanding example is the great iron ore development in Labrador which was based on geological reports made before the turn of the century. More recent ones are the Manitouwadge ore discovery and the discoveries at Blind River, and to a large extent the discovery in New Brunswick.

I submit that this is the most constructive effort that could be made to keep the mining industry advancing and to provide alternate employment for people engaged in a particular line of endeavour which seems to be facing difficult times. I know of one gold mine in Quebec which is nearing the end of its life. During this last year they discovered a copper deposit within 20 miles, which they are now developing. They will use their gold mill for the processing of that copper ore and the community will be assured of continuation. I know of another area in Manitoba which has been depending on gold exclusively for a number of years. The last report I have is that the mill will be turned over to the processing of nickel ore.

I do not think we should take a short-term view of this. It is true that mines come and go, but in the over-all picture a really constructive effort is being made by the industry itself, by the federal government and by the provincial governments to develop these great mineral resources. I am confident that

the gold mining industry through its own efforts and through the development of base metals and other minerals in the same areas and in other parts of Canada will come through this emergency period and will soon be self-sustaining. I think it would be a negative approach indeed to take the money which we are now advancing to the gold mining industry and use it to move people away from that industry.

Our economy in Canada is very interdependent. The mining industry is a large consumer of agricultural products and as I mentioned this afternoon of the products of our forests and factories. When one makes a trip to these areas he cannot help but be impressed by the large consumption of goods that is taking place.

I think that is all I have to say at the moment unless some hon. member has another point to bring up.

Mr. Gillis: Mr. Chairman, I want to say just a few words in support of what the hon. member for Timiskaming has said. I think everyone who has commented on what she had to say missed completely the point she was making. I am in sympathy with her because I represent exactly the same kind of area. During the present session a motion was moved in the house and we had a broad and comprehensive discussion of the whole question of ghost towns investments and areas which were working on wasting resources. There is no need to repeat what was said then.

The Emergency Gold Mining Assistance Act justifies itself on the grounds that it creates employment and keeps up industry. On that basis I support it. As the minister has indicated the amount of assistance has dropped from $16 million to $9 million, which indicates that many of the mines are going into the free market. The mines to which this assistance is applicable are marginal mines. The hon. member for Burnaby-Coquitlam does not understand that if this gold mining assistance act was not applicable to those particular mines they would close. There would be no employment and the benefit that the miner gets out of this assistance is that he has a job and there are some wages paid. Otherwise he would not have a job.

The point I wish to make is this. The hon. member for Timiskaming has pointed out that all mining areas are the same. They go up, they reach their peak, and they peter out. In the meantime there are millions of dollars invested in the community, in schools, sewers, streets and everything that goes to make up a community. If the community is allowed to go down with the industry, then that total investment on the part of the people is lost.

What was suggested earlier in the session was that realizing that mining is a wasting resource, that it will reach its peak and go down, there should be a continuing research committee set up by both provincial and federal governments to study the area and find out what kind of subsidiary industry might replace the mining industry when it goes out, so the investment on the part of the people in the community may not be lost.

This is a young country and it is growing, and there is much room for development. Over the next 50 years there will be many people in all sections of it. I am sure that, either in northern Ontario or in the mining areas of Cape Breton or in Nova Scotia or British Columbia, if a proper body were set up to make a proper analysis of the future so the investment in a community may not be lost, subsidiary industry in those areas could be found that would be useful in the future. That was the angle the hon. member took, and I support it very strongly.

I take exactly the same view. The coal mines are going down. The miners are moving out to British Columbia. Many of them are going out to the logging industry. That is a long way from home. There are those —a few hundred—now going out to Steep Rock. These people have homes and investments in a community. Many of them are leaving families. They do not want to uproot themselves. I am sure that if a proper study were made of the areas, suitable development could be found in these communities to retain the investments that have been made over many years.

Coal is subsidized, and rightly so, because it provides a means of livelihood. It is holding up communities that otherwise would go out overnight. On that ground this subsidy is justified. But I would stress again to the minister that subsidies are only a palliative, not a cure; that the crux of the whole problem is that sooner or later, whether or not you subsidize these mines, they are going to go out because they are a wasting resource. Ways and means should be found. At the present time research is more necessary than anything else the government could do to find ways and means of retaining the investment in these communities.

If we were an old country I would say it is a tough proposition, but we are not. The future is ahead of us. There is a terrific possibility of development in this country over the next 50 years, and in no section of it should there be any waste. Remember

that this is the last frontier. From every section of the world immigrants are coming into Canada, principally because there is no other place to go. We should not allow any sections of our community to become ghost towns or wastes or lost investments. We should be planning to rehabilitate these communities, and I think it can be done; but it requires a continuing research committee in order to do that. I am in hopes that the Gordon commission, when it makes its report, may have something to say on that particular point.

I do not want to deal with the point, because we beat this to death on a resolution during this session. I just wanted to say that the hon. member for Timiskaming was not asking for charity. She was justifying the measure before the house at the present time as a temporary measure, but what she was stressing was the investment in the community and the fact that sooner or later it was going down anyway and that efforts should be made on the part of the government to provide subsidiary industries to protect the investment the people have in these communities.

Resolution reported and concurred in.

Mr. Prudham thereupon moved for leave to introduce Bill No. 417, to amend the Emergency Gold Mining Assistance Act.

Motion agreed to and bill read the first time.

The Acting Speaker (Mr. Applewhaite): Is it agreed that by unanimous consent I do now leave the chair for the house to resolve itself into committee of supply?

Mr. Knowles: Just for the record, it is understood that this is not one of the six Monday supply motions provided for under standing order 56.

The Acting Speaker (Mr. Applewhaite): It is understood that to all intents and purposes the house resolves itself into committee of supply now as though this were a Thursday or a Friday.

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF TRANSPORT

435. Departmental administration, $1,777,100.

Mr. Nesbitt: On this particular item of the estimates there are a great many things that many hon. members would like to say, but I am going to confine my remarks to a subject which has been of great interest to me and, I believe, to some other hon. members of this house. That is the subject of search and rescue organizations on the great lakes.

First of all, though, I should like to make some brief remarks regarding airport facilities, particularly at Malton airport, Toronto. The subject of airport facilities has been under considerable discussion in the past. I know there have been great plans to improve those facilities. The other day I saw some very fine pictures of what the Ottawa airport is to be like. I was very glad to see that. People coming to Ottawa on business and the public generally are very glad to see that improvements are to be made. However, Malton airport is, I suppose, almost the busiest, if not the busiest airport in Canada, and the facilities there for the travelling public are deplorable.

There is one little scheme they have there which is of interest. You pay 10 cents to stand on the roof and watch the aircraft coming and going. It is rather comfortable, except that there are only one or two benches on which one may sit after paying the 10 cents. In the waiting room below, where most people wait for planes as they come and go, or are delayed, as is frequently the case, there is not enough accommodation for people to sit down. There are ladies, some with children, old people, cripples and so on, and usually the crowds hanging around Malton airport are much like the crowds we have seen in the galleries of the house and in the corridors of the building in the last couple of weeks.

I hope the minister will tell us that plans are going to be made to improve the seating capacity of the waiting rooms at Malton airport. I know they are building something outside, sort of a shed or canopy to keep the rain off people going out to the planes, but there certainly is not enough accommodation. The only thing that Malton airport normally resembles at practically any time of the day when planes are arriving and departing is, with all respect, a twentieth century black hole of Calcutta.

To get back to the remarks I had originally intended to make, they have to do with the matter of a great lakes search and rescue organization to which I have referred already during this session. However, I should like to make some additional remarks. Now that the drowning and accident season on the great lakes is again upon us, this matter has come very much to public attention. There have been numerous editorials in virtually all the newspapers in the southern part of Ontario which, of course, is that part of the country most affected.

I am not going to refer to the remarks I have made in the house on other occasions during this session and last session with respect to the need of a coastguard service on the great lakes. I do not intend to do so because anybody who is interested can always refer to those remarks. But I should like to bring forward some additional information at this time. The whole subject of an improved search and rescue organization on the great lakes has become very much in the public mind and is becoming increasingly so. To summarize what I have pointed out on other occasions, this is largely due to the great increase in population in southern Ontario, the increase in the material wealth of the people since the war, more leisure time and the fact that people have taken to boating to a great extent.

To show the interest that has arisen this spring in this regard I should like to refer briefly to certain editorials. I do not intend to read them in their entirety but I wish to refer them to the minister. First of all there was an editorial in the Tillsonburg *News* of April 5, 1956, which is one of the largest weekly papers in Ontario. The editorial is headed, "Protection Needed on the Lakes," and ends with these words:

> The federal government, in whose jurisdiction the great lakes fall, should give the matter consideration. Better protection is definitely needed.

I also refer to an editorial in the London *Free Press* of Thursday, March 29, 1956, headed, "Search and Rescue Service Necessary on the Lakes." It starts off with these words:

> With the summer boating and swimming season approaching, Wallace Nesbitt, M.P. for Oxford, has made a suggestion that merits the attention of the federal government.

Then it goes on to deal with the matter at some length and ends by saying:

> This is a fault Ottawa could and should remedy. Mr. Nesbitt suggests that something like a coastguard service could be set up economically by employing university students on their summer vacations. It might be possible to integrate reserve naval personnel and boat club members in such a plan. In any case, the Oxford M.P. has introduced a suggestion too valuable to be cast aside.

Then I refer to an editorial in the Toronto *Globe and Mail* of Wednesday, May 9, 1956, headed "Why Not a Coastguard?" The *Globe and Mail*, I may say, has had editorials on this matter before. I believe this is the third editorial they have had. I shall not waste the time of the house reading this editorial. I should not say "waste the time of the house", but I shall not take the time of the house to read it because hon. members can always read it. However, it touches on the incident that occurred on lake Erie this spring when a number of Canadian fishermen had their boats seized by the United States coastguard apparently for trespassing in United States waters. It points out that if we had some sort of coastguard service it could be used to warn Canadian fishermen to keep out of United States waters and warn them when they are getting into United States waters. Of course this would largely concern only lake Erie, because due to the lamprey problem and other things commercial fishing on the other great lakes is not so much concerned with this problem at the present time.

Then I also refer to another editorial that appeared in the Woodstock *Sentinel-Review*. This editorial is headed, "Boating Mishaps", and is of very recent date having been published on June 7, 1956, just a few days ago. It refers to the announcement made by Captain G. L. Johnston, assistant chief of the nautical division of the Department of Transport, concerning the future licensing of small boats on the great lakes, something which the minister referred to earlier this day. The editorial points out the great problem on the great lakes so far as search and rescue is concerned. It points out that there is no co-ordination among the services, and that many a life could have been saved had there been some sort of co-ordination.

I do not know what brought about this action on the part of the department. I hope that some of the remarks I have made in the past may have had some influence. However, I am quite sure that the Department of Transport and possibly even the minister have received letters from numerous organizations such as the lake Ontario search and rescue organization, which has been doing a particularly fine job in rendering service by helping people who have become lost and in trouble on the great lakes, and also has been doing very fine work in trying to publicize the situation and interest public opinion in this very important matter.

I do not know what caused these proposed changes, but in any event I am very glad to see that they are going to be made, and I certainly welcome the proposed amendments to the Canada Shipping Act. I do not wish to refer to that matter at this time because it will be discussed on another occasion in the house, but I see that under one of the proposed amendments to the act there will be regulation of the inland and minor waters of Canada and provision for the licensing of operators in such waters, and I am very glad that that is so. While this is not the whole loaf but only half a slice out of the whole proposed loaf, at least half a slice of bread is better than none at all.

Of course there is no doubt that when the Canada Shipping Act comes before us it will be referred to the committee on railways, canals and telegraph lines. At least I presume it will, and I should like to suggest to the minister now that he take under consideration the calling of witnesses before that committee when it is considering the bill. Since one of the amendments to the act is going to concern the regulation and licensing of boats on the great lakes, I should like to suggest to the minister that at that time the committee should call witnesses to give evidence with respect to all the information the committee may require, not only as to the proposed regulations but to provide the minister and the department with information as to the actual need for search, rescue and other similar services on the great lakes.

I see this suggestion was made indirectly by the hon. member for Northumberland in a speech he made earlier this year. I know I am not allowed to refer to remarks made in previous debates during the present session, but without quoting the hon. member directly I think I can say that he suggested that at the present time there was insufficient evidence before the Department of Transport to justify the setting up of a proper coastguard or search and rescue organization on the great lakes, and that we should hear witnesses.

Since the hon. member was, I presume, speaking on behalf of the government at that time—his speech certainly looked like it, to say the least—may I suggest that here is a chance for the government to call witnesses. They could call the president of the lake Ontario search and rescue organization. They could hear the presidents and other officials of the various boating and yacht clubs and also the provincial police and others. These people could appear before the committee while these amendments were being considered.

Then if the minister and the officials of the Department of Transport are not prepared to take my word for it, and are not prepared to take the word of some of the large, prominent newspapers in Ontario such as the Toronto *Globe and Mail*, the London *Free Press* and a large weekly like the Tillsonburg *News*, which are newspapers in the area directly concerned, I feel that, since the department had claimed through its spokesmen that there is insufficient evidence before it, when these amendments to the Canada Shipping Act are before the committee that will be the time to get this additional information.

As I have pointed out before in this house, there are certain rescue and search organizations such as the provincial police, the R.C.M.P. and the R.C.A.F. air search and rescue organization at Trenton. These have all been referred to in the house and most hon. members are familiar with them. As I pointed out before, the big problem is coordination when an accident occurs. If a boat upsets and someone is in the water or a boat is lost in the fog on the great lakes, the question is with whom do you get in touch? Usually nobody knows; even the local officials very often do not seem to know. Eventually Trenton or someplace like that may be informed and under those circumstances will take steps to commence the rescue. Usually there is a heavy fog or a storm, and it is very difficult for aircraft to operate and try to locate boats lost in a fog.

The important element is time. If an accident happens and someone has to search for two or three hours to find out with whom to get in touch, very often the person involved is drowned. While they announce with great trumpeting that they have discovered the body, I do not think that is very much help to the family of the person concerned.

It has been suggested on other occasions by the hon. member for Northumberland that the present regulations are fine and that small boats have to have licences. That is true. It is my understanding that the purpose of licensing motors of 10 horsepower and above is to determine to whom they belong. I know the number has to be painted on the back in 3-inch letters, and if a boat overturns or is lost the authorities can determine to whom it belongs and can get in touch with relatives in case of a fatal accident. It has been pointed out that this is quite adequate, and that the R.C.M.P. are in charge of inspection services.

I should like to know, and perhaps if there is time the minister could tell us although I know it is not directly under his department, just how many R.C.M.P. constables there are in the province of Ontario who are running around inspecting small boats. I would be willing to warrant that there are not very many. I should like to find out if there are any R.C.M.P. constables inspecting small boats in Ontario, and just what they do. What kind of reports do they make? I would very much doubt that they make any report at all or have much activity in this regard. If they do, I would be most delighted to hear about it.

It has been already noted with some pleasure that there are amendments proposed to the Canada Shipping Act which will certainly be helpful in a small way in alleviating this problem. I should like to see further amendments to this act, and it might not be too late for the minister to consider amendments relating to safety devices in small boats.

These amendments might involve the provision of life jackets and the question of small children being obliged to wear such jackets when they are out on the great lakes. In addition, these boats might be fitted with flares or smoke signals of some sort.

Then the question would arise, who is going to enforce these regulations? This question occurs to me right away, even in relation to the proposed legislation. I note that clause 27 of the bill, paragraph (c), refers to the enforcement of any such order or regulation.

Mr. Marler: Mr. Chairman, I think the hon. member will realize that at the moment the discussion seems to be turning to the amendments to the Canada Shipping Act which I take it we will have an opportunity of discussing later. It seems to me it is quite out of order to be discussing amendments to the Canada Shipping Act when those very amendments are already before the house.

Mr. Nesbitt: Well, Mr. Chairman, I suppose it is probably a matter of degree. I would agree with the minister that it is out of order to discuss a bill that is not yet before the house—

Mr. Marler: It is before the house.

Mr. Nesbitt: —but I was suggesting that there are certain things which are not included in these amendments. We have all had an opportunity of reading the proposed amendments, and I thought before they came before the house the minister should have an opportunity of considering whether or not he could make some further alterations to meet this problem. My remarks were merely directed to that end. However, I shall not continue with them, as I feel I have already said enough. I hope the minister will give the problem a little extra consideration.

There are just one or two other matters I would like to mention. In some previous remarks I made concerning this question I confined my suggestions to the minister, and to the government generally, to the point that the coastguard service on the great lakes be restricted to the summer months and largely to search and rescue work. I did not feel that a further expansion of the service into the customs and excise division to check contraband would be warranted at the present time. I felt the work should be largely limited to search and rescue work, but there might be one exception.

On lake Erie large commercial fishing activities are carried out and a very nasty incident arose there this spring, but apparently it was not too important. Some Canadian fishing tugs were seized by the United States coastguard and taken to the city of Toledo, I believe it was, where fines were levied, and properly so. However, rumours do have a habit of spreading and there were a lot of newspaper reports about the incident which created a bad impression in the public mind. Incidents such as these do not encourage good feeling between ourselves and our great neighbour to the south, with whom we have always had the most friendly relationship.

If there were a Canadian patrol vessel on lake Erie it could warn our fishermen to keep out of those waters, and during the summer months it could also be called upon in case of boating accidents. I suppose that lake Erie has more small boats on it than possibly any other of the great lakes. I had some figures to show that in Ontario alone last year the number of registered small boats increased by 15,000. It is true, of course, that many of these would be in small inland waters which do not come under the federal transport department, such as the Muskoka lakes and so on, but a great number of them would be on the great lakes. The president of the lake Ontario search and rescue organization, which I suppose is the largest and most well organized of these volunteer organizations, has pointed out that there are 300,000 or 400,000 small boats of all kinds in Ontario, a very large proportion of which would be on the great lakes. This number would include canoes, rowboats, boats powered with motors under 10 horsepower and so on.

Since a great number of these boats are on lake Erie a patrol boat, in addition to giving information to Canadian commercial fishermen who work out of Port Dover and other ports, could perform this other very necessary work as well. Lake Erie is probably the most dangerous of the great lakes. It is very shallow and the slightest thunder squall will stir it up.

Since I mentioned this matter in remarks I made earlier I do not wish to duplicate them at this time. Therefore I shall bring my remarks on this subject to a close at this time, though I shall probably resume them, as the minister suggested, when the amendments to the Canada Shipping Act come up for consideration. However, I should like to close by referring to one news item. I started my remarks by saying that the accident and drowning season is upon us again. I should like to refer to a news item which appeared on Monday, June 4 last. It appeared in all the Ontario papers. I happen to have

a clipping from the *Sentinel-Review Daily* of Woodstock. The heading reads:

> Missing Persons Safe After Ordeal On Lake
>
> Three men and two women paddled their three outboard motorboats ashore today at nearby Whitby after drifting all night on lake Ontario.

The article goes on to give in some detail what happened. It says that fortunately the lake was calm. If it had not been calm there would have been a number of bereaved families. This item appeared early in the season. No doubt we shall have like articles appearing day after day during the remainder of the summer and the warm weather season until September. There will be headlines such as these in the paper saying that five people have drowned, two people have drowned, boat upsets, boat adrift for three days, persons missing, and so on. Every year it is the same.

As I said, the minister has apparently started to do something. Changes are to be made in the Canada Shipping Act, but I do not think they go far enough. I hope the minister and the officials of his department will consider doing something in this regard either by themselves or in co-operation with the appropriate authorities in the province of Ontario, because I do not think any of us want to see a repetition of what we have seen year after year, namely an increase in the number of drownings in the lakes in the summer time.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, it must be obvious to anyone who examines the estimates of the Department of Transport that one of the surprising things in the set-up of this government is the number of matters which should properly come under the Department of Transport but which are not actually there. One outstanding example, of course, is that of Trans-Canada Air Lines. It is a major transportation system in every way similar to the Canadian National Railways in so far as it operates as a transportation system, but we find that it does not report to the Minister of Transport.

In recent weeks in this house we have seen one of Canada's greatest advances or great beginnings in a new field of transportation, namely the trans-Canada transportation of gas. That has been pushed through the house, and whatever happens in that field will ultimately be reported to a minister other than the Minister of Transport. We find again that while the Minister of Transport has the responsibility for most canals, there are canals turning up under the aegis of the Minister of Public Works. We find that while the Minister of Transport has the responsibility for most wharves and most harbours, certain maritime transportation operations carried on by the government respond again to the Minister of Public Works.

I was amused just before rising to discover that two of my colleagues who sit right next to me, one from the Kootenays and the other from Selkirk, are in this position. The hon. member for Kootenay West has an inland lake in his constituency, and the Department of Transport operates the aids to navigation, wharves, and the like. The hon. member for Selkirk, who sits immediately behind him, has an inland lake in his riding, namely lake Winnipeg, and apparently the responsibility for similar functions in his area come under the Minister of Public Works. Certainly that is so in so far as the wharves are concerned. I would suggest to you, Mr. Chairman, that it is quite impossible to have any sort of efficient, coherent and sensible transportation operation in so far as the government is concerned when we have this widespread diversity of responsibility in various aspects of it.

It would seem that one of the first tasks which faces the Minister of Transport and his department is to go out and bring under the wing of his department in some sort of sensible pattern the operations carried on by the government which should properly be responsible to the Minister of Transport. One does not want to suggest why his department might have been burgled in the past and had these various operations either stolen from it or never given to it, but whatever the past reasons may have been the present situation is, from an administrative point of view, most unsatisfactory and could well be corrected.

That leads almost automatically to the suggestion of a national transportation policy of some kind for Canada. Here again we have the responsibility in various fields of transportation widely separated and governed by a number of different committees and groups, and this policy is causing inconsistencies and raising many problems which would not exist if we developed a more sensible and more coherent alignment of responsibility. I have as one authority at least no less than the Turgeon report of 1951 which, hon. members will recall, is the report of the royal commission on transportation. At page 280 of that report we find the commissioners pointing out, and I quote:

> Today there are three separate bodies, each charged with the control (a more or less extensive control in each case) of a part of Canada's transportation system. They are the board of transport commissioners, the air transport board and the Canadian maritime commission. It must be difficult, with this dispersion of control, to apply to all of Canada's transportation agencies like principles of regulation for the accomplishment of a common purpose, viz. that of enabling

each agency to perform its service advantageously and properly as part of a national transportation structure. The tendency of a separate independent body is to formulate policy affecting transportation without regard to the relationship of the various agencies to each other. This anomaly should give way to the constitution of a central authority which will be able to take in hand the major task of co-ordinated control, having at its disposal all the benefit acquired from the experience of the separate bodies in recent years.

That is only one authority which could be quoted; there are many others, and they seem to agree along those fundamental lines. Of course, we realize that one of the principal factors in transportation today is highway transportation, and within the bounds of the provinces that is beyond dispute under the control of the province itself. By a finding of the privy council in England, if my memory serves me rightly, or a body of appeal in England at any rate, interprovincial highway transportation systems are essentially under the control of the federal government. Last year the federal government returned or abdicated that field—"abdicated" might be a better word—and decided to leave it to the provinces for the time being.

Mr. Marler: I think if you said it was under the control of the federal parliament it would be more exact.

Mr. Hamilton (Notre Dame de Grace): All right, under the control of the federal parliament, if the minister prefers it, although since recent days we have seen great evidence that the federal parliament is being so completely subjugated to the government itself it might be said that any suggestion that matters are subject to the control of the federal parliament is rather a mockery, it seems to me.

The question of integrating highway transport by means of a national approach to transportation or a national transportation policy, as I have suggested, does present certain difficulties; however, we have managed in other fields, at times when the provinces had control of a given section or area of our economy, to work out a *modus operandi* by means of meeting with them, by means of discussion with them, which has brought about very satisfactory results in some cases.

It would seem to me something of that nature is urgently required in the present instance. Certainly it is unfortunate with the tremendous growth and development which is taking place in this country at the present time that we should have our manifold means of transportation—our airways, our railways, our maritime transportation, our highways, our pipe lines—all at sixes and sevens, the majority of them reporting to different bodies of control, the majority of them quite properly competing with one another, but competing without any attempt at co-ordination on the part of the government which has none the less intruded itself by means of regulatory bodies into almost every one of the fields I have mentioned.

Nowhere is this intrusion more evident than in the field of railway transportation and nowhere, Mr. Chairman, is there greater need for a new and imaginative approach to the regulation of transport, the control of transport, than in the field of railway transportation. I do not think we can expect the free enterprise type of activity—which is represented by at least one of our great railroads in complete measure and a quasi-free enterprise type of activity by the other, the Canadian National Railways—I do not think we can expect them to operate indefinitely with success unless they have a genuine opportunity to express their managerial discretion and equal opportunity to act in accord with the basic principles of a free enterprise system.

There was a time when it was necessary to impose the strictest measure of control on railway transportation as such because at that time it occupied a monopoly position. When the railroads grew up, when they first laid their lines across this country, when they divided it almost into a checkerboard pattern with line after line, the only measure of competition was one railroad as against another railroad; there was no air transportation and in great parts of the country there was no opportunity for maritime transportation. There was no such thing as pipe lines, and the gasoline engine being almost unheard of in those days there was no such thing as highway transportation.

Therefore when you had a monopoly system of transportation as was the case with the railroads, it was perhaps necessary that a firm measure of control be exercised; but that measure of control, it seems to some of us, has been continued in almost the same pattern right down to the present despite the tremendous differences in the economic framework within which the railroads are now operating.

The highway transportation system in this country is today a major factor in the transportation and transit industry. Buses carry great loads of passengers; heavy transport trucks, each of which comes very close to carrying the same tonnage as a railway car, whine along the highways of this country day and night. Overhead, by the tens of thousands, passenger traffic is being taken away from the railroads by the airways. Overhead again, the high value freight and express traffic is being picked up by the airways. Under these

circumstances it seems to me the old pattern under which the railroads are held under rigorous control and given no opportunity to engage in ordinary economic enterprise which is available to most fields of enterprise in our economy is unrealistic in relation to the present day structure of our transportation pattern.

Mr. Marler: Will the hon. member permit me to ask one question at this point? He has just spoken about the rigorous control of the railways, and a little earlier he spoke about the fact that what the railroads needed was the opportunity to exercise their managerial authority. The hon. member has gone on to describe the conditions which I take it he believed had changed the position of the railways from a monopoly to one in which they are now faced with vigorous competition.

I wonder if I might ask the hon. member what forms of rigorous control he has in mind that are now interfering with the operation of the railroads? I know it is very easy to talk in generalities, but I wonder if the hon. member would give one example of the type of control to which he is referring.

Mr. Hamilton (Notre Dame de Grace): Perhaps I should have covered that point at the beginning, but I thought it would have been reasonably obvious and certainly it would have become obvious—

Mr. Marler: Well, if it is obvious let us have it.

Mr. Hamilton (Notre Dame de Grace): However, I am very grateful to the minister for pointing out that I have not perhaps defined the particular field that was in my mind at the beginning of these remarks. I had particularly in mind the question of the rate structures of the railroads, and the necessity for the railroads at the present time to go through a complicated and lengthy process whenever they desire a lasting change in their rate structure; a process incidentally, Mr. Chairman, which very often has a tendency to result in rates which are unrealistic in the light of all the circumstances surrounding a particular situation.

Now, the minister does not need to take my word for that, because I am sure he must have had representations from the president of his own railway, the Canadian National Railways. He must have read the speeches of Mr. Gordon as reported in the newspapers, in which he has pointed out this difficulty. He must have read the remarks made at the annual meetings by Mr. W. A. Mather, chairman of the board of the C.P.R. and Mr. N. R. —better known as "Buck"—Crump, that very remarkable man who is now president of the C.P.R. They have both pointed out this particular difficulty.

Having made reference to the point I would not want to leave the committee with the feeling that I am advocating throwing the rate-making structure of the railroads completely over and allowing them a complete measure of discretion. We are at a stage where some measure of control is admitted to be, shall we say, necessary in many segments of our economy, and certainly transportation is no exception. But I do suggest that we might allow the railroads more freedom than they have within a certain broad framework.

For example, there should certainly be a ceiling on rates where a railroad enjoys a monopoly on a certain variety of traffic or in connection with transportation in a given area, so that it would not be able to mulct its passengers or those who give it freight to carry. Again there certainly should be a floor in some cases to guard against cutthroat competition designed to drive competing forms of transportation out of business.

Finally I suggest that there might well be certain cases of transportation—western wheat is probably the most outstanding example—where some special measure by the government will be called for if a realistic rate structure is to emerge from the present picture. What that course of action may be is difficult to suggest in the short time at my disposal, but I do suggest, and most strongly, that it is unfair to ask the two railroads of this country to carry a burden which is the direct result of government policy.

It may well be that it is advantageous to Canada as a whole to have a particular rate set for the transportation of western wheat. I think we must take into consideration the position of the western farmer and the need for him to remain economically successful. But having said that, let me suggest that if the transportation rate established for his wheat happens to be uneconomic from the viewpoint of railroad operations, then I think it is unfair to ask and force the railroads to continue to carry that wheat at that uneconomic figure. Some provision should be made for a wider distribution of that burden. Having established a given policy in respect to the carriage of a given commodity the government should accept responsibility for the results of that policy, and not expect the railroads to underwrite it.

No later than tonight we have this article appearing in the Ottawa *Journal*:

Increasing Rail Freight Rates

The board of transport commissioners announced today it plans to grant the railways shortly an

interim increase in freight rates subject to review next fall. The amount was not specified.

I suggest to you that when you have a business running into the hundreds of millions of dollars—if my memory serves me rightly the gross last year of the C.N.R. was some $600 million—it is rather difficult when it has to go to the board of transport commissioners and get a temporary across the board increase which has no relationship to specific problems and which may be revoked in the fall. Earlier there was reference to the government doing business like a peanut stand, and I suggest that the temporary fixing up of a situation like this is again a reflection of a peanut stand mentality rather than a $600 million mentality.

Finally I should like to quote in summary an article which appeared in the Montreal *Gazette* of May 25, 1955. In this editorial they say:

> It would seem that the railway problem is not just a Canadian problem; it is a North American problem. It is caused by the same thing: over-regulation of the railways in an age when they are under severe competition from other means of transport. And for this there would seem to be only one cure.
>
> As the report to the president says: "Adjustment of regulatory programs and policies to these competitive facts is long overdue".

For the benefit of those who may read *Hansard* or who are listening, may I say that the report to the president refers to a report of a committee set up by President Einsenhower.

There are a number of items which could be taken up under the estimates, but for a moment I should like to touch upon one item which reflects an historical situation which is now due for a change. I refer to the provision of private railway cars for the use of members of the government. This originated many years ago. At that time they were four in number, and probably there was ample justification for their existence. Certainly we did not have air transport at that time, nor did we have the high quality of ordinary rail transport which is available today.

However, over the years and particularly in the last few years we have reached the stage where air transport is the normal method of transport for senior executives. Many corporations have their own private planes. The government has a fleet of private planes which they use day in and day out for the transportation of ministers from one point in Canada to another. Let me say at once that I have no objection to the use of these aeroplanes for that purpose when the end purpose is proper government business.

Despite the fact that ministers have taken to the air in large numbers, we find that no one has yet got around to doing anything about this fleet of private railway cars. The same four cars which they have had over the years are still being kept up with a staff of seven people. The estimate this year is $56,240 for their operation. I suggest that we may need one or perhaps two of these cars only. The Prime Minister on occasion may need that type of transportation. Visiting dignitaries may require that the car be put at their disposal. There may be occasions on which a minister going into a particular part of the country to do business needs to take his travelling hotel along with him and park it on a siding. I am not averse to operating a limited number of these cars, but I suggest that the retention of the four of them as at the present time is a completely unwarranted waste of the taxpayers' money.

Furthermore I suggest that the existence of the cars, lying there idle a good deal of the time, leads the ministers sometimes down unfortunate paths. We had the case, originally denied and then admitted by the Minister of Transport, in which he used one of them to whip down to Montreal and address a political meeting immediately upon his arrival. He did not need the car, and that is obvious from the fact that the next day he came back in an ordinary train, the Canadian.

We have had other cases. Last year, I remember, the Minister of Citizenship and Immigration had occasion to travel from one end of Canada to the other with the Minister of Fisheries, one of them at least accompanied by his family, in one of these private cars, for a holiday trip plus a little bit of business on the west coast. These are the devious paths down which people will be led when you leave a little temptation in their way. I suggest that when you have a luxurious private railway car on a siding just waiting to be used, somebody is going to use it and perhaps even take it down to his summer home and park it down there for a few days as a means of transportation. That is costing the taxpayers money. It is not necessary, and it should be cut out.

I see you rising, Mr. Chairman, so I shall take up the other questions further on in the estimates.

The Chairman: I am sorry to interrupt the hon. member, but his time has just expired.

Mr. Herridge: I wish to make a few brief remarks on this first item. I shall have a few things to say on one or two of the other items as they come before us.

I understand that the public works department builds wharves and other structures in navigable waters. I am told that the Department of Transport's function is to

administer those wharves and certain other structures and supervise them after construction. Before proceeding with the few remarks I wish to make, I want to say that I have every respect for and confidence in the minister's engineer in Victoria, who I think is doing an excellent job, but in my opinion he has a very large district to cover and personally I think he requires more staff. Particularly owing to the development of the interior, I think it is necessary that a senior official of the department, like the district agent in Victoria, have the opportunity himself to visit wharves and certain localities when problems arise and not have to depend in all cases on the report, say, of the junior official of another department.

Up until recent years the arrangements that had been in effect for 50 years were quite satisfactory, but I am speaking now of circumstances of which I have some knowledge. Those intangible arrangements, shall I say, are not sufficient under present conditions, with the development of the logging industry, the lumber industry and the mining industry and the consequent increase in the number of tugs and barges towing logs and things of that sort, and with the necessity for more navigational aids, buoys and that sort of thing. I think there should be a much clearer definition of the responsibilities of the Department of Public Works and the responsibilities of the Department of Transport, and the public should be informed of those definite responsibilities.

I believe that is necessary for the satisfactory supervision of wharves and for the reporting of damage so it can be repaired before greater damage occurs through neglect, and also for the application of the department's regulations without fear or favour, regardless of whether it is a large corporation or a single isolated rancher. Everybody is entitled to be treated alike. I do not believe in the poor man in his little launch being chased away from a government wharf and a corporation being allowed to tie up its vessels for its own purposes. I think there should be some clearer definition of the regulation in that respect.

I realize the difficulties in these isolated cases in the administration of wharves and other structures by the Department of Transport, but I think the difficulty could be largely overcome by having the R.C.M.P. informed that they can report immediately any damage to these structures and things of that sort, and in other cases perhaps the local postmaster could do this. I have already referred to the considerable damage being done to a wharf in my district because the situation was not reported in time to the department. That is all I have to say on that point.

I think it is time we had a revision of the Navigable Waters Protection Act. I find it is an act that is not very effective in many cases. It needs thorough overhauling in the light of modern developments and the changed conditions we find nowadays in industry and on navigable waters. There are clauses in that act with respect to the pollution of navigable waters by sawdust, by slabs, by mill waste and by industrial enterprise. So far as I know, I have never heard of any industry being reported in 50 years as a result of the violation of that act. There again I think the whole act needs overhauling and amending so that these responsibilities are defined as between the Department of Public Works and the Department of Transport and so there is control over this pollution of waters.

This was a minor matter until recent years but now, with the great increase in the lumber industry and other industries, it is becoming a serious matter. It has not developed serious proportions to date, but unless there is some strict application of the law in the near future these things will develop and become very serious in the years to come.

I also think it is necessary to have a clearer definition of the responsibility for the renting of space around wharves for gas stations, boat service stations and things of that sort. The department should have a closer check on the driving of piles in navigable waters, and the placing of obstructions in waters by companies or individuals. I am not at all blaming the officials. As I have said before the circumstances have changed, and I am quite certain that the district engineer or district agent for the minister's department in British Columbia needs an addition to his staff so that some senior officials will have an opportunity to get around the province more frequently than they are at present able to do. I think it is particularly necessary that there be a definition of the responsibilities of the two departments and an application of the law in all cases without fear or favour.

Mr. Stanton: I should like at this time to take a few minutes to make two or three observations, and I hope that in making his reply the minister will be favourable to the comments I wish to make at this time.

I do not know whether or not it has been brought to the attention of the minister but it has been brought to my attention on different occasions that a particular situation exists with regard to the pensions of some

of the employees of the Canadian National Railways. Some of these men are getting on in years. We might say that they are in the sunset of life. In the years between 1930 and 1940 a few of them were laid off through no fault of their own and were not credited with pension rights during those years. I believe they are willing to contribute their payments to the pension fund for the time they were laid off. At that time they were willing and ready to go back to work whenever they were called.

I believe it is very unfair to these men to have these years of credit deducted under their pension scheme. I believe they should be eligible for superannuation without these years being deducted. I hope the minister will give the matter very serious consideration. I do not believe there are too many of these men. There are some in the Brockville district in the constituency I represent, and I presume there are a few more across Canada.

I have another problem about which I have spoken before. I believe I spoke of it first three years ago and have brought it up on a couple of occasions since. I refer to the situation in the city of Brockville with respect to the railway station and crossing the railway tracks. I believe the president of the C.N.R., Mr. Gordon, journeyed to Brockville last summer and made an inspection of the conditions that exist there. I did not know of his visit until afterwards; apparently it is the policy not to inform opposition members of such visits. However, I was wondering whether the minister could inform me what decision the president of the C.N.R. had made on his visit to Brockville, or if he has made a decision yet.

It is a burning issue so far as the people of Brockville are concerned, not only the residents of Brockville but the community at large and also visitors to the city. The railway lines completely block off two of the main arteries coming into the city from the north. In addition, passengers leaving trains have to travel a long distance back to the station. When the hon. member for Notre Dame de Grace was speaking about private cars I was wondering whether it would not be a good idea to put the private cars on the siding and bring the passengers who get off trains from the east or west to the station. There is also a long wait for passenger cars, especially when freight trains are going through, and it is very tedious for the passengers.

If there should be a fire and the fire reels were held up at the crossing, think of the additional damage that might be caused by having to wait for only a few minutes. Then there is the matter of ambulances going to the hospital. I am not quite sure whether I have mentioned this to the house before, but some four or five years ago an ambulance was going to the hospital with an emergency case and was held up for quite some time at the crossing, so long that it did not arrive at the hospital in time. However, I am glad to say that the mother and child are doing fine.

What we greatly need is a subway and a new station. The station is very old and is one that would be appropriate for a little village. We need a subway very badly at that particular point. There are two large public schools on the north side of the town and the children have to cross the railroad tracks. I plead with the minister to do something about this matter. In fact I hope within the next few days to crave his indulgence so that I may have an interview with him for a few minutes in order to go over the whole situation with him.

We are greatly in need of better and safer railway accommodation in the heart of Brockville. Brockville is growing very rapidly to the north and it will only be a short time until the railroad will be in the very centre of the city, which will be most inconvenient if the present situation goes on. When the new by-pass highway, No. 401, is built to the north of the city the main road leading from that highway will cross these tracks, and it is doubly necessary that some provision be made for accommodating that traffic in the next two or three years.

I plead with the minister to do something to alleviate the serious situation we have there. It has been spoken of many times by other members of the house who have been travelling through Brockville and have had to change trains there to come to Ottawa. Many members of the house have said that it is a very undesirable situation. I hope the minister will give very serious consideration not only to the question of the employees and their pension plan but also to the need of a new station and a subway at Brockville.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take second reading of the bill with respect to the Defence Services Pension Act, second reading of the bill respecting the Canadian National Railway Company financing legislation, second reading of the Emergency Gold Mining Assistance Act amending bill, then the resolution in the name of the Minister of Labour with respect to certain provisions for equal pay for female employees, and then the resolution in the name of the Minister

of National Health and Welfare with respect to unemployment assistance costs in the provinces.

Mr. Green: Mr. Speaker, may I point out to the minister that the defence services pension bill has not yet been distributed and we do not know how complicated it is. We may not be able to go on with it tomorrow.

Mr. Nowlan: Has the gold mining bill been distributed?

Mr. Harris: I spoke to the staff about an hour and a half ago about this particular bill. If it is not already distributed, certainly it will be made available very early in the morning. If it is complicated and for any reason hon. members feel that they should not proceed with it, if they will let me know we will arrange the agenda otherwise.

Mr. Nowlan: What about the gold mining bill; has that been distributed?

Mr. Harris: I do not think it has at the moment, but it will be.

Mr. Nowlan: There are some hon. members who want to speak on that, and I see it is scheduled for tomorrow.

Mr. Harris: We will be glad to make any arrangements that are suitable.

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

ANSWERS TO QUESTIONS

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

WAR DEBT WRITE-OFFS

Question No. 153—**Mr. Hahn:**

1. Has the federal government written off any war debts owing by countries to Canada?
2. If so, what countries and in what amount?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

1. Yes.

2. Pursuant to the United Kingdom Financial Agreement Act, 1946, the government of Canada agreed to cancel the amount owing by the government of the United Kingdom to the government of Canada with respect to the British commonwealth air training plan, which amount the two governments agreed was $425,000,000.

"KING EDWARD" DREDGE BUNK-SCOW

Question No. 513—**Mr. Regier:**

1. Is the bunk-scow of the *King Edward* dredge, owned by the Department of Public Works, for sale?
2. If not, what use is being made of it?
3. For how many days in 1955 was it in use?
4. What was the cost of its operation for the year 1955?
5. How many watchmen are employed on it?
6. Who makes out their time schedule?
7. Are there always watchmen on board?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. No.

2. To provide accommodation for the crews of the dredge and tugs.

3. 365 days.

4. Cost not available as it forms an integral part of the plant. Expenditures are charged against the operation of the dredge.

5. Four.

6. The dredge master.

7. Yes.

HIGHLANDS PARK, CAPE BRETON, N.S.—EQUIPMENT PURCHASES

Question No. 521—**Mr. Nowlan:**

1. Has the Department of Northern Affairs and National Resources, or any other department or agency of the government of Canada, within the last year, purchased for use in Highlands park, Cape Breton, Nova Scotia, a shovel, crusher, and other machinery and equipment incidental thereto?
2. If so, (a) from what firm or firms was such shovel, crusher and other machinery purchased; (b) for what price?
3. Were tenders or invitations to bid invited?

Questions

4. If so, (a) what firms replied to the invitation to bid; (b) what was the price quoted by each of such firms?

Answer by: **Hon. Jean Lesage (Minister of Northern Affairs and National Resources):**

1. Yes.

2. (a) One Smith-Rodley ¾ cubic yard crawler shovel was purchased at a price of $34,915 including trade-in allowance.

One model 293Q junior universal portable crushing plant was purchased at a price of $59,950 including trade-in allowance.

One ½ cubic yard manganese clam bucket and a tag line winder were purchased at a price of $2,415 for use with the Smith-Rodley shovel.

No other equipment incidental to either the shovel or the crusher was purchased. Above items purchased were obtained from Automotive Products Limited of Montreal, Quebec.

(b) Answered by (a) above.

3. Yes.

4. (a) and (b)

Crawler shovel—

Automotive Products Limited, Montreal, Quebec	$34,915
Coleman Machinery Limited, Halifax, Nova Scotia	36,551
Industrial Machinery Company, Halifax, Nova Scotia	36,665
Eastern Equipment Limited, Halifax, Nova Scotia	38,700
Foulis Engineering Limited, Halifax, Nova Scotia	39,580
Sheridan Equipment Company Limited, Toronto, Ontario	41,330
Geo. W. Crothers, Limited, Leaside, Toronto, Ontario	41,674
W. L. Ballentine Company Limited, Toronto, Ontario	44,540
Laurion Equipment Limited, Montreal, Quebec	48,742

Crushing plant—

Automotive Products Limited, Montreal, Quebec	59,950
Falcon Equipment Company Limited, Toronto, Ontario	65,480
Foulis Engineering Sales Limited, Halifax, Nova Scotia	66,060

Clam bucket and winder—

Automotive Products Limited, Montreal, Quebec	2,415
Industrial Machinery Company, Halifax, Nova Scotia	No bid
Coleman Machinery Limited, Halifax, Nova Scotia	No bid
Wm. Stairs, Son & Morrow, Halifax, Nova Scotia	No bid

HOUSE OF COMMONS

Tuesday, June 12, 1956

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Sir:

Ottawa, June 12, 1956

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 12th June, 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).

BANKING AND COMMERCE

Seventh report of standing committee on banking and commerce.—Mr. Hunter.

BUSINESS OF THE HOUSE

CALLING OF BILL TO AMEND THE INCOME TAX ACT

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the house will recall that when the resolutions on the income tax bill were passed by the house the bill itself had not been printed. It has now been printed and I would ask leave for you to call the first reading of bills so I may present the bill today.

INCOME TAX ACT

Hon. W. E. Harris (Minister of Finance) moved for leave to introduce Bill No. 418, to amend the Income Tax Act.

Mr. Speaker: Has the hon. gentleman leave to introduce this bill?

Mr. Knowles: By leave.

Motion agreed to and bill read the first time.

HOUSING

ALLEGED SCARCITY OF MORTGAGE FUNDS IN METROPOLITAN AREAS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Minister of Finance —I was going to ask the Minister of Public Works the same question also, but perhaps the Minister of Finance can answer for both —what steps the government proposes to take in the light of the situation resulting from the conflict in government policy between the tightening of money on the one hand, under the measures taken by the Bank of Canada with government approval, and on the other hand the lending operations under the National Housing Act, which have resulted in a very serious scarcity of mortgage funds in metropolitan areas?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the hon. member for Winnipeg North (Mr. Stewart) sent me notice a few moments ago that he intended to ask the same question, based on a telegram that had been received from the Toronto area. I would not want to give an answer—

Mr. Fleming: The Toronto metropolitan home builders' association.

Mr. Harris: I think the same telegram went to both hon. gentlemen. I would not want to give an answer at the moment, sir, in the absence of the Minister of Public Works. I understand he will be returning perhaps tomorrow—I am not sure—and I will speak to him about it.

EXTERNAL AFFAIRS

TUNISIA AND MOROCCO—RECOGNITION BY CANADA

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs but in his absence I will direct the same question to the Prime Minister. Does the Prime Minister care to comment on a press report that appears in the French paper *Le Droit* of today from the France-Presse agency to the effect that Canada would now be ready to recognize Tunisia and French Morocco?

Right Hon. L. S. St. Laurent (Prime Minister): The matter, Mr. Speaker, is under consideration. Tunisia and Morocco have been recognized by several powers and the question as to whether or not it would be appropriate for us to extend recognition at this time is under consideration.

Inquiries of the Ministry

REQUEST FOR STATEMENT ON DISCUSSIONS WITH EARL OF HOME

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Could I ask the right hon. gentleman whether he is now in a position to make a report as to the discussions that took place between members of the Canadian government and the Secretary of State for Commonwealth Relations of the United Kingdom government, about which I inquired yesterday, and as to the conclusions, if any, arrived at as a result of those discussions, which I assume might form a basis, as it were, for the forthcoming conference?

Right Hon. L. S. St. Laurent (Prime Minister): There were no conclusions arrived at. They were very frank discussions about many of the problems which are of concern to all of us who are interested in commonwealth affairs. They were of a confidential nature, of course. There was no memorandum or summary prepared afterwards of these discussions, and quite frankly I do not think it would be helpful to go beyond what I have said about the details of those conversations.

There were no conclusions reached. We were endeavouring to explore with a view to being able to reach a position where we would, after discussion at the conference, come away with a disposition and the material that would enable all of us to make such decisions as were required and that would be in accord with each other.

LABOUR CONDITIONS

ALLEGED IMPORTATION OF UNITED STATES WELDERS INTO BRITISH COLUMBIA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I ask the Minister of Labour whether he is in a position today to give a reply to my question of last Friday concerning the importation of United States welders into British Columbia to work on the Westcoast Transmission line?

Hon. Milton F. Gregg (Minister of Labour): Yes, Mr. Speaker. The hon. member for Vancouver-Quadra, the hon. member for Vancouver East and others have raised this point.

On the subject of the complaint from the British Columbia welders' association regarding the entry of 14 welders from the United States, our regional office of the unemployment insurance commission in Vancouver is keeping in close touch with this situation and has worked closely with the immigration branch, to which employers must first apply for the admission of various workers into Canada. The immigration branch in turn gets in touch with the national employment service to ascertain whether or not Canadian workers are available who are able to do the work concerned, and only if they are unable to recruit the skilled workers needed are American workers admitted to Canada.

The united association of plumbers and pipe fitters, who hold a collective agreement with the pipe-line contractors, the British Columbia office of the unemployment insurance commission and the immigration branch considered that the employers' requests for stringer-bead men for front end crews were genuine, as it is not always possible at the moment to find in Canada a sufficient number of stringer-bead men.

I think I should say, Mr. Speaker, that this type of employee, namely the stringer-bead man, is the ultimate as a welder. He starts the weld at the joint and it is most important that this start be made faultlessly. The joint must be firm and exact, and it requires highly experienced men to effect it. Less experienced welders complete the joint started by the stringer-bead man who continues on to start the next joint. Thus, for every two stringer-bead men employed, 12 to 18 other welders are required. Our office was unable to find sufficient bead men who were able to meet the rigid test required for this operation and, as a consequence, the 14 welders in question were allowed in from the United States.

Our regional office made a study of the various companies presently employing welders and found that, of a total of 79, 66 are Canadians and 13 Americans.

All the pipe-line contractors are still field testing welders and building up their crews for maximum activity. It is anticipated that in the weeks to come all qualified Canadian welders will be employed either on the main line, the feeder lines or on municipal distribution systems.

Mr. Green: May I ask the minister a supplementary question. Is there any limit on the length of time these United States welders can remain in Canada, because so often this is used as an excuse to get them in and then they stay? Can anything be done to prevent that occurring in this case?

Mr. Gregg: That point will be watched, Mr. Speaker. I might say that as the men I have referred to here as follow-up welders are trained to be bead men they can take the places of those now doing that part of the operation.

Mr. Green: Is any limit placed on the time these men may remain in Canada?

Mr. Gregg: I have no information as to that at the moment.

Mr. Harold E. Winch (Vancouver East): May I ask a supplementary question of the Minister of Labour. In view of his statement that the immigration department inquired of the employment service in British Columbia if there were any qualified welders available, was inquiry also made of the union of welders as to whether they had any qualified men?

Mr. Gregg: The three bodies are working in close co-operation, that is the union, the immigration branch and the national employment offices.

Mr. Winch: Why is it that we have received a wire from the union stating that they have qualified men and at the same time men are being brought in from the United States? How could that happen if they have been working in co-operation with the union?

Mr. Gregg: I cannot answer the question as to why, but from the information I have been able to get the figure of 80 which was mentioned is in excess of the number of qualified Canadian welders who had taken training in welding and were not yet employed under this arrangement

REPORTED STRIKE ON STEAMSHIP "PRINCESS HELENE"

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): In view of the seriousness of the question I raised yesterday—I realize it was only yesterday—I wonder whether the Minister of Labour is in a position to reply to that question, with respect to the strike on the *Princess Helene*.

Hon. Milton F. Gregg (Minister of Labour): The matter is being considered by the parties concerned today. I am not prepared to make any statements with regard to the matter as yet.

Mr. Nowlan: As a supplementary question, can we understand that the minister will make a statement after the consideration of today?

Mr. Gregg: Just as soon as I receive a report.

EDUCATION

SHORTAGE OF ENGINEERS AND SCIENTISTS—INVESTIGATION BY GOVERNMENT

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Can the Prime Minister advise when he will be able to answer the question I asked on May 9 regarding the shortage of scientists?

Right Hon. L. S. St. Laurent (Prime Minister): I did secure the information, and I was informed that there was constant contact between the employment services and those who require skilled labour. I was informed that this was almost a daily occurrence at some one or other of the employment services. I was told also that at the present time there is an intensive survey being made for two purposes: one, for the publication this year of the biennial report on the skilled labour situation in Canada, and the other to supply the commission on Canada's economic prospects with information about the skilled labour situation. This will be a more intensive and direct survey than has been made at any time previously with regard to skilled labour.

HOUSE OF COMMONS

REVISION OF SALARIES OF TEMPORARY EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Can the minister say whether the pay cheques to be received by the sessional employees of the House of Commons on June 15 will include the salary increases announced by Your Honour on April 9 and confirmed by Your Honour and the minister on May 7? If not, can the minister say when these increases will come through?

Hon. W. E. Harris (Minister of Finance): If my hon. friend is referring to the sessional employees the answer is that the internal economy commission has authorized an increase in pay which was spoken of at that time and presumably it will be in time to have it included in the June 15 cheques. However, the decision was made only yesterday and it may take more than a day or two to do that. But the decision has been made, and I am sure the employees will receive additional pay.

Mr. Knowles: Is it understood that these increases will be retroactive to April 1?

Mr. Harris: Yes.

COMMONWEALTH CONFERENCE

CYPRUS AND CEYLON—INQUIRY AS TO POSITION TO BE TAKEN BY CANADA

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the right hon. Prime Minister

whether it is anticipated that at the forthcoming commonwealth prime ministers' conference such matters as the status of Cyprus and Ceylon, and indeed the whole position in the Middle East and any such similar matters will be brought up for discussion and, if so, what will be the position with respect thereto taken by the government of Canada?

Right Hon. L. S. St. Laurent (Prime Minister): With respect to Cyprus, the hon. gentleman knows that is a matter which concerns the government of the United Kingdom, and I would not anticipate that there would be advice or criticism volunteered. I have no doubt that the matter will be raised for discussion at the conference. With respect to Ceylon, I do not think it would be proper for me to say anything publicly. The hope is that Ceylon will wish to remain in the commonwealth, and it would be the opinion of the Canadian representatives that that would be a desirable solution.

I hope that with a frank discussion of these problems, which are real and serious, it will be possible, if not to make decisions, to get ourselves into a frame of mind where the decisions of all those participating will be similar and will be conducive to the settlement, or at least the easing, of those problems.

HOUSE OF COMMONS

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Minister of Transport inform the house when an answer will be forthcoming to my question No. 518 on the order paper?

Hon. George C. Marler (Minister of Transport): I think it is the intention, in view of the question of my hon. friend, to make it an order for return tomorrow and give him the information as soon as it is available.

Mr. Hamilton (Notre Dame de Grace): As a supplementary question, is the minister aware that this information is constantly tabulated in his own department?

Mr. Marler: I have not got to the point where I require information from my hon. friend as to what goes on in my own department. When all the information asked for is available it will be brought down.

NATURAL RESOURCES

AUGUST FONTANA—PETITION REGARDING LOSS OF MINERAL RIGHTS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct a question to the Minister of Northern affairs and National Resources? Has the minister received a petition from Mr. August Fontana, of Virden, Manitoba, seeking redress for the loss of certain mineral rights as a result of action taken by this government? If so, what action has the minister taken as a result of this petition?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, if my memory serves me right there was a petition addressed to the government last year, and after considering the petition the government decided not to grant it.

Mr. Zaplitny: The petition I refer to is of more recent date. Perhaps I should send a copy to the minister, and I shall do so in order to refresh his memory.

IMMIGRATION

HAL BANKS—INQUIRY AS TO CITIZENSHIP STATUS

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I direct a question to the Minister of Citizenship and Immigration. Can he advise the house if Mr. Hal Banks, president of the S.I.U., has acquired the status of a naturalized Canadian citizen?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I should think, sir, that as he was only landed as an immigrant the day before or a day or two after I became minister, I cannot remember which, he would not have been here the required five years.

Mr. Nowlan: May I direct a supplementary question to the Minister of Citizenship and Immigration. In view of the fact that, according to my recollection, the house was informed by the minister's predecessor some time ago that Mr. Banks arrived in Canada in 1951 as a landed immigrant, would the minister recheck his files so as to be in a position to answer the question?

Mr. Pickersgill: It is quite unnecessary to do so, sir. Mr. Banks was in Canada as a visitor for quite some time before he was landed as an immigrant. Although I cannot say whether the precise date was June 30 or July 1, 2 or 3 of 1954, it was some time within that week that he was landed as an immigrant, and his time for citizenship would count only from that date.

DOMINION-PROVINCIAL RELATIONS

FISCAL ARRANGEMENTS—INQUIRY AS TO AGREEMENTS WITH PROVINCES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Prime

Minister. In view of the statement of the Prime Minister yesterday that a bill on dominion-provincial financial relations will be introduced at this session, can the Prime Minister inform the house at this time whether agreements have been reached with all or a majority of the provinces as a result of the proposals of the federal government respecting the rental of their corporation and income tax fields? If not, is it the intention of the government to hold any further conferences in order to reach agreements, or will the bill be a *fait accompli* as far as all the provinces are concerned?

Mr. St. Laurent (Quebec East): I did not catch the last few words.

Mr. Winch: I am sorry.

Mr. Dufresne: It is in French.

Mr. Winch: Will the bill respecting dominion-provincial financial arrangements, which the Prime Minister told us yesterday was going to be introduced at this session, be a *fait accompli* that all the provinces must accept or have you reached agreements with all or the majority of the provinces and, if not, are you going to try to arrive at agreements before the bill is brought in?

Right Hon. L. S. St. Laurent (Prime Minister): It is not expected to have another conference before the bill is brought in. The bill will be one that would authorize the making of agreements, but no agreements have yet been reached.

PIPE LINES

TRANS-CANADA PIPE LINES—STATEMENT AS TO TABLING OF DOCUMENTS

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Vancouver-Quadra asked me about the tabling of documents associated with the contract with Trans-Canada Pipe Lines. I can advise him that the last document, P.C. 1956-860, authorizing execution of mortgage and indenture of mortgage dated June 7, 1956, Trans-Canada Pipe Lines Limited to Northern Ontario Pipe Line Crown Corporation, was tabled this morning. I have a list of the various documents that have been tabled and their numbers. Perhaps I can send it across to the hon. member for his convenience if he wishes to check any others.

Mr. Knowles: Perhaps the list of documents could be put on *Hansard*.

Mr. Howe (Port Arthur): I would be glad to put it on *Hansard* if that is the wish.

Mr. Speaker: Is it agreed that the document be inserted in *Hansard*?

Some hon. Members: Agreed.

(*For list of documents see appendix, page 4982.*)

TRANSPORT

WITHDRAWAL OF SECOND SECTION OF TORONTO-OTTAWA POOL TRAIN

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to address a question to the Minister of Transport. In view of the fact that the second section of the pool train from Toronto to Ottawa has been withdrawn, can the minister say whether or not the information that the house would have suspended its sittings by June 10 came from the government?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I must admit that my contact with the actual operations of the Canadian National Railways is not close enough for me to have acquired that information. However, I shall make inquiry of the railway in order to find out how this report circulated. I was most interested to hear the hon. member mention July 10.

An hon. Member: June 10.

Mrs. Fairclough: May I ask a supplementary question. When the minister acquires his information, will he also inform members who come from southern Ontario how they are to return to Ottawa on Sunday nights?

Mr. Marler: I am surprised that they should even have left by that time.

CANADIAN FORCES ACT

AMENDMENTS TO DEFENCE SERVICES PENSION ACT AND TO NATIONAL DEFENCE ACT

Hon. R. O. Campney (Minister of National Defence) moved the second reading of Bill No. 416, respecting the Canadian forces.

Mr. G. R. Pearkes (Esquimalt-Saanich): Is the minister going to make a statement?

Mr. Campney: Mr. Speaker, yesterday in speaking to the resolution I pointed out that three of the sections are amendments to the Defence Services Pension Act and nine are amendments to the National Defence Act. As the sections are not related to each other nor do they all deal with one subject I assume that we shall not be able to discuss the principle of the bill as is usual on second reading. I would suggest therefore, if hon. members will agree, that we follow the usual custom in respect of this act, namely give it second reading and then go into committee

where we can discuss each section in the light of its own circumstances.

Mr. Pearkes: Mr. Speaker, before we move into committee and come to the detailed discussion in relation to the various sections of this bill, I should like to comment on the manner in which the bill is now being introduced to the house. It is typical of the blundering and panicky way in which the government has been conducting its business all throughout this session. The resolution preceding this bill was placed on the order paper on January 12, five calendar months ago today. There it remained until yesterday afternoon, when the resolution was briefly discussed. The minister made a short statement and I asked a question or two. I was told that there were several amendments and that the sections were not related, as the minister has said today.

There are 13 different sections in this bill. They deal with amendments to two different acts, namely the Defence Services Pension Act and the National Defence Act. The National Defence Act has been amended several times, and in order to understand at least one of the sections of the bill it will be necessary to refer to the amendments which have been made to the National Defence Act. In addition to that consideration, in the bill and the notes attached to the various clauses reference is made to the United Kingdom act, the new Criminal Code of Canada and the Penitentiary Act. In order to study various clauses properly, those acts all must be referred to.

This bill was given first reading yesterday afternoon. At the close of yesterday's sitting the Minister of Finance said that if the bill was not already printed, it would be available early this morning. I arrived here and cleared my mail box at nine o'clock. There was no bill in it. Since I thought it would be discussed today I went down again just before the committee on external affairs met at eleven o'clock. There was no bill there then. I remained in the committee on external affairs until lunch time. I had my lunch, and then I found this bill.

That certainly is trying to railroad things through this house. I do not know whether other members have studied the bill. I have looked through it, and I shall do the best I can to offer some comments from time to time on the various sections. In view of the very limited time that hon. members have had, I do think we have the right to expect a full and detailed statement by the Minister of National Defence on the various clauses. We have not had the time to give them the proper consideration that we normally do. I feel that I am not coming to the discussion of this bill prepared in the way I usually am with any comments I have to make on the actions of this government. If, therefore, my questions may not be strictly relevant it will be for that reason, and I shall ask for some latitude in that respect.

Again I draw attention to the fact that for five months this resolution remained on the order paper and then in less than 24 hours—less than five hours, in fact—after we have received the bill we are asked to discuss it.

Mr. Campney: Mr. Speaker, perhaps I should—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Gordon Churchill (Winnipeg South Centre): It will be too bad if the minister closes the debate, because we have not started. I must join with the hon. member for Esquimalt-Saanich in offering a protest against the method of introducing this bill in this house with such great haste. It has just come to my attention now in the bills which have been filed on our desks by the page boys and I have not had time to read it over. Under such circumstances the minister can hardly expect the best of co-operation in getting the bill through this house.

We have protested in other years against this method of bringing in an omnibus bill which amends more than one statute. This time I notice the minister says that this amending bill deals with just two statutes instead of the half dozen statutes that were amended last year. But it is wrong to do it this way, and I think we shall continue to protest as vigorously as we can against this method. We make a further protest against bringing the thing in as rapidly as this when there was plenty of time to have the bill printed and in our hands long ago.

This is the type of bill that requires careful study because the matters dealt with, particularly in the amendments which deal with the code of service discipline, require close attention. If we hastily pass this through we may be putting into the code of service discipline something which should not be there. How the minister expects us to understand this bill with the very limited explanation that he has given I do not know. I think he should have taken his time and at the resolution stage yesterday given a much more detailed statement as to the amendments which were to be introduced, and today he might very well have spoken at some length on the matter.

To approach a bill of this nature in this frame of mind is not conducive to its passage in short order, and I would hope that the minister would take note of our feelings in

the matter and when on any other occasion he has to introduce an amending bill in this house he will do so differently.

We faced this problem last year and the year before. How can you discuss the principle of a bill when it amends two statutes? What is the principle? Do you divide it into two parts and say there are two principles in this bill, or how do you approach the subject? At this stage if we go into the question of the clauses I am sure we will be informed that that is not an orderly procedure, and that should be taken up at the committee stage. But that is the problem we are faced with this afternoon. A hastily introduced measure which is of an omnibus character does not lend itself to a discussion of the principle involved.

Then the minister in his introductory remarks has not been helpful. According to the information I have before me, in his statement yesterday at the resolution stage he just touched on the various amendments that were being brought before us without more than a sentence or two of explanation. For example, where the amendments deal with persons accompanying a unit to whom the commander may issue orders, he does not tell us what types of persons he has in mind, and I would certainly want to know that before I could comment upon it. There are persons who are subject to the code of service discipline, yet apparently they are not actually in uniform. According to this amendment the commander of the unit will be able to issue orders to them to take certain action under certain circumstances. Well, what type of person is involved in that?

Then the restriction that is to be imposed on drivers of vehicles who are considered to be impaired might have merited greater explanation than the minister offered. What is the standard of evidence that is going to be required with regard to this matter of impairment, either due to the use of alcohol or a drug? What drug, for example, is being considered? Then what has required the necessity for a further amendment, or an amendment, with regard to the enforcement of discipline in service prisons and detention barracks? I presume these things arise because of something that has to be corrected. Well, why did the minister not tell us what has to be corrected? What is wrong now with the code of service discipline that necessitates an amendment respecting the enforcement of discipline in service prisons and in detention barracks?

Then there is his amendment with respect to service vehicles paying tolls on bridges, highways and canals. What is being done at the present time? He did not give us any explanation of that; and so it goes. The minister does not deserve to have this bill given second reading this afternoon. As the hon. member for Esquimalt-Saanich pointed out, we have not had time to look at the thing very carefully; we have not had time to get the statutes and the amendments of recent years and compare these new amendments with what is already on the statute books and put them in their proper places, with the result that we cannot discuss the question with the care and attention that a matter of this kind deserves.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise just to support the protest that has been made by the hon. member for Esquimalt-Saanich and the hon. member for Winnipeg South Centre with respect to the form of this bill. This is a protest that these hon. gentlemen and some of us have been making for four or five years now. I do not know how many years we are going to have to keep on making the protest before the practice is changed; but it does seem to me it would be far more logical, when the government wishes to ask parliament to amend the Defence Services Pension Act, to bring before parliament a bill amending that act; also, when it wishes to amend the National Defence Act, to bring before parliament a bill amending the National Defence Act.

This practice that has been followed now for several years of bringing in a bill entitled the Canadian Forces Act in which are included amendments to a number of different acts—only two this year, but in other years there have been a number—seems to me to be an illogical and shall I say sloppy way of dealing with the matter. I think it would be far better if on this occasion the government would consider the proposal that has been made from this side of the house, namely that these acts be treated on their own and amended by separate bills amending each act by itself.

I have made that plea on a number of occasions. As I say, it seems to have fallen on deaf ears. I feel it is with justification that the hon. member for Esquimalt-Saanich and the hon. member for Winnipeg South Centre have made this protest once again today.

Mr. Campney: Mr. Speaker—

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Campney: Mr. Speaker, I should like to say that I regret that hon. members opposite did not receive the bill until lunch time, as was made apparent by the remarks

of the hon. member for Esquimalt-Saanich. The bill has been printed for a good while, but it had to be dated and numbered either during the night or this morning. I made inquiry early this morning and I understood the bill was on the way to the distribution office. I was not aware that there had been any delay, and I know that some hon. gentlemen did receive the bill early. In any event I can assure all hon. members there was no intention on my part to try to crowd this bill.

This is not a bill the sections of which are of great similarity in detail, and for that very reason it is not a bill that could be thoroughly discussed on second reading without creating more confusion than could be cleared up on account of the fact that each section has its own subject matter.

As to the remarks that have been made with respect to omnibus bills, we have found over the years in the department that by following this method we have obtained better service throughout Canada, Europe and England, wherever servicemen may be, much better success than under the old dispensation. Hon. members will recall that on one occasion there were 21 bills amended while this year there are only two, both of which are of direct and immediate interest to the services.

There is always the cumulative index in each annual volume of statutes where most people who look for bills can generally find them. I think the advantage to the services of having one bill each year covering matters that deal particularly and specifically with them has been of great benefit, in that it provides a means of quick reference and a means of getting the new changes known quickly, both of which are of advantage generally in the administration of the services.

As I have said, the sections of the bill are completely independent of each other. I think that is why in all previous cases—and I would like to suggest in this case also—it has been found that the practical and realistic way of dealing with them is to pass second reading of the bill and then take each section by itself in committee and discuss it at length, at least to the extent that hon. members wish to discuss it. In that way we will be talking about one subject at one time and shall deal with all of them successively, rather than trying to deal with them all simultaneously.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

[Mr. Campney.]

On clause 1—*Title.*

The Chairman: Shall clause 1 carry?

Mr. Pearkes: Would the minister please explain this to us?

Mr. Campney: Clause 1 is just the title.

The Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Clause agreed to.

On clause 2—*Expiration of fixed term.*

The Chairman: Shall this clause carry?

Mr. Pearkes: Would the minister explain this one?

Mr. Gillis: Are you going to make a statement?

Mr. Campney: Go ahead.

Mr. Gillis: This is of course the Defence Services Pension Act. The minister is aware of the fact that on a good many occasions both in this house and in committee I have raised a point with respect to this act. I notice that despite the amendments before us the matter I raised has not been taken care of.

What I had in mind is this. A member of the forces who contributes to the superannuation fund may die while in the service. Perhaps he has paid into that pension fund for 14 or 15 years. After he passes away in the service his contributions are then returned to his wife or his dependents. When that contribution is returned the income tax department will make an assessment against the total contribution—it may be $3,000 or $4,000—and they will tax it. I know of one case where a young officer contributed for 10 years and there was a sum of $600 deducted by the income tax department from the contribution when it was returned to his wife. I think it is a pretty rank piece of injustice, and for four or five years now I have been bringing it to the attention of the minister, and I did so in committee when the defence act was amended a few years ago.

I believe the department is being lax. That is a matter which is much more important, I think, than any amendment that is contained in the present act. It merely involves making arrangements with the income tax department. The superannuation contribution that is returned to the widow of a man who died in the service is not income because he has already paid income tax on his salary while he was in the service. Of course he would be allowed to offset that contribution, but the contribution is perhaps the only thing the widow has to depend on in the future, and I do not think it could be considered as income.

I wonder if the minister has taken the matter up with the Minister of National Revenue. I myself have done so. I also wonder if the defence department and the Department of National Revenue have had any discussions on the matter, because I think it is a pretty raw piece of business. I am running into quite a bit of it; I have had several cases. Would the minister care to comment on that?

Mr. Campney: Well, Mr. Chairman, as my hon. friend well knows the question is primarily one for the income tax branch. I would point out, however, that at the time the contribution was paid in no income tax was paid on it. When the sum is paid out I presume the Department of National Revenue feels that it should be subject to income tax. It is not a matter over which we have any real jurisdiction, but I know my hon. friend feels quite strongly about it because he has brought it up several times. He has now pointed out that he took it up with the branch which has control of taxing or not taxing the payments. I shall be glad to note the hon. member's further comments, but it is not a matter with which this department can deal by itself.

Mr. Pearkes: I hoped perhaps the minister would have given an explanation of the advantages and purpose of this particular amendment. As far as I can understand, if an officer is offered and does not accept a further fixed term of employment, then he is compulsorily retired. On the other hand, if he is offered and refuses an indefinite term of employment, then he is retired at his own request. What is the purpose of those two different sets of circumstances?

Mr. Campney: This section is to take care of an officer who has risen from the ranks and has taken a fixed term commission. At the expiry of the fixed term he may be granted a permanent commission or he may be released entirely or he may have his fixed term commission extended, as is often the case. Under the act as it stands if at the completion of his fixed term he is offered but does not accept an extension of his fixed term commission he is deemed to have voluntarily retired. Therefore he gets only the gratuities payable under the pay regulations for his service during his period as an officer, but he loses any gratuities he might have as the result of his service as a man in the ranks.

In addition to clarifying the law as it exists, this section takes care of that situation and enables a man who has risen from the ranks and who has proceeded in the manner I have outlined to get a gratuity based on his service as an officer and as a man in the ranks. In other words it works to his advantage.

Mr. Pearkes: Does this apply only to a man who has risen from the ranks, or does it apply to a man who has what is usually referred to as a short-term commission?

Mr. Campney: It applies only to the man who has both qualifications, who has a short term commission and has risen from the ranks.

Mr. Pearkes: The minister referred to a permanent commission. Is that just another expression for the indefinite period, which is the term used?

Mr. Campney: Yes.

Mr. Pearkes: I think the wording in paragraph (b) of clause 2 is rather unfortunate. This reads:

—and such retirement of an officer mentioned in subparagraph (i) of paragraph (a) shall be deemed to promote economy or efficiency in the forces.

I know that is the term frequently used, but it is possible that it would cast doubt as to the efficiency of the person's services while he was in the armed forces. When he enters civilian life and applies for employment the prospective employer would see that he was released from the services in order to promote economy or efficiency in the forces. The would-be employer might be apt to hesitate and say, "Here is a man who has been released from the armed forces in order to improve the efficiency of those forces." That would not be a very good recommendation for a man whose only crime apparently has been that he was not prepared to accept re-engagement under the terms of the act. Would it not be possible to adjust that in some way?

Mr. Campney: As the hon. member knows, that is a phrase which runs through the Defence Services Pension Act and has for many years. Among those who are familiar with it, it does not carry any connotation of inefficiency or anything wrong. We are now engaged in a revision of the act and this very point is being considered. We hope we can arrive at some better nomenclature than this, but I repeat that this phrase has for a good while been used throughout the act.

Mr. Pearkes: I know it has been there for a long time, but that does not mean that people who are not connected with the services understand its full significance. I realize I have criticized the minister for bringing in amendments to the Defence Services Pension Act, but if he will bring in one next year to adjust this particular matter I shall be a little more lenient in my criticism.

Mr. Churchill: How is the pension affected as between these two methods if a man voluntarily retires?

Mr. Campney: Generally speaking, an officer who has retired voluntarily merely has his contributions returned. If he is compulsorily retired he gets a gratuity or pension depending on the length of his service.

Mr. Nesbitt: Mr. Chairman, the remarks I intend to make with reference to clause 2 will apply equally to the 13 clauses of the bill. I concur in the remarks made by the hon. member for Esquimalt-Saanich. I am very interested in the amendments to these acts, but the bill was distributed at about eleven o'clock this morning and as I happened to be in the external affairs committee I did not receive it until much later. Clause 2 and the other clauses of this bill are quite technical and complicated, and I do not think it is fair to hon. members of this committee, particularly members of the opposition, to expect that they will be able to comment upon or criticize the bill when they have had it in their hands for such a short time.

I think in fairness the minister should consider adjourning this matter until another day. While it is quite true that as we reach the different clauses we will be able to make superficial criticism by reading them over hastily, the fact is that we cannot give the clauses the careful consideration we would normally expect to give them.

Mr. Goode: It is hard for me to understand why hon. gentlemen who have served so long in the forces would consider this bill to be complicated. I certainly did not have the service of the hon. member for Esquimalt-Saanich, but to my limited intelligence this bill is quite simple. I do not think the minister will have any difficulty in answering questions.

One thing I want to bring to the attention of the minister is what was said by the hon. member for Esquimalt-Saanich, who expressed my opinion completely. Many of us have known men who have served in the armed forces and whose discharge papers did not state the reasons for their discharge. I submit that those reasons should have been included. I submit that the Minister of National Defence should do something about this. If a man is retired at his own request why should that not be stated in his papers, instead of adding other words to it?

Mr. Harris: Hon. members will recall that last evening I said that if this bill was not distributed in time, suitable arrangements could be made if desired. I made inquiries this morning and I made inquiries at noon, and I was not informed that it was the desire of hon. members to postpone the consideration of this bill.

Mr. Churchill: From whom did you make inquiries?

[Mr. Churchill.]

Mr. Harris: Shall I say the usual channels. This is not by way of reproach of anyone, but those inquiries were made. However, if hon. members feel that they do not desire to go on I would be glad to suggest to my colleague that we leave the matter as it stands. On the other hand I may tell hon. members that had I been informed that they felt this way about it, we would have called some other item rather than taken the time that has now been taken. I leave it entirely to hon. members as to what they wish to do.

Mr. Pearkes: As I indicated, the time has been extremely limited, but provided a reasonable latitude is given to us to ask questions and provided the minister is prepared to explain these various clauses—and it will take longer than it would have done had we had time to consider this beforehand—we are prepared to go on, as far as this party is concerned.

Mr. Harris: Thank you.

Mr. Pearkes: At the end of clause 2, in the part dealing with other ranks, there is a different wording in connection with re-engagement and the offer for re-enlistment. Is there only one type of enlistment in the forces, namely for a fixed period? Is there no indefinite period?

Mr. Campney: Not in the ranks.

Mr. Pearkes: Just for a fixed period of so many years? Is that uniform in all the services?

Mr. Campney: It is not uniform as to years, but it is the uniform practice.

Mr. Pearkes: Would that apply to apprentices as well as to men who are in the regular units?

Mr. Campney: Yes.

Clause agreed to.

On clause 3—*Employment of officer pensioner in the public service of Canada or the forces.*

Mr. Pearkes: Regarding clause 3, the addition seems to be the words "chief petty officer first class or second class." There have been chief petty officers in the navy from time immemorial. How is it that it is necessary now, at this stage, to add these special words, and what has happened to the chief petty officer in the past?

Mr. Campney: Chief petty officers now are classed under the law as warrant officers, classes 1 and 2. At the time the law was passed with regard to people entering the public service they were not warrant officers. The only point in this amendment is to make

them warrant officers for the purpose of adjustment of their salaries and pensions, the same as warrant officers have always been in the other two services.

Mr. Pearkes: If they are now warrant officers, why do we have to put in chief petty officers first class and second class? If it had been in before, I could have understood it.

Mr. Campney: I do not know why we have not called them warrant officers. Probably we would have to consult the chief of the naval staff on that. It is a time-honoured term, and as long as they have the legal status of warrant officers they do not have to change the name.

Mr. Pearkes: The whole point is that we should get this cleared up. We have chief petty officer first class and second class in the navy, and warrant officers first and second class in the army and air force. Why is it necessary to put in "chief petty officer first class or second class"?

Mr. Campney: The chief petty officer first class is the same as a warrant officer first class, and the chief petty officer second class is the same as a warrant officer second class.

Mr. Pearkes: So I understand, but I am asking why you do not have to put in "a contributor who has been retired as an officer, warrant officer first class or second class, or chief petty officer first class or second class."

Mr. Campney: I understand that originally the navy had warrant officers, and they were not commissioned, and so there is some complication in terms. A chief petty officer has come to have a certain status, and it has been retained in the wording of this section, but he now has exactly the same status as the warrant officer in the other services.

Mr. Nesbitt: This clause says:

> A contributor who has been retired as an officer, warrant officer or chief petty officer 1st class or 2nd class . . .

Does this include warrant officers in the navy?

Mr. Campney: I am informed that there are not now warrant officers in the navy. There were at one time, but not now.

Mr. Nesbitt: I realize that, but it says:

> A contributor who has been retired . . .

What about those who held the rank of warrant officer? Does it include them?

Mr. Campney: As they were not commissioned officers, as warrant officers were not in the navy in the past, the same rule would apply as is under this clause. I understand also that there have never been any warrant officers in the navy who come under part V of the act.

Mr. Nesbitt: Perhaps the minister might explain this. It is a rather technical point. In the navy there were formerly commissioned warrant officers and warrant officers. Perhaps he would explain the difference between those two.

Mr. Campney: I understand that many of the warrant officers in the navy were subsequently commissioned and that now there are none moving up to commission. The rank has been abolished in the navy. A chief petty officer first class or second class is the equivalent of a warrant officer, but I am informed that there are no warrant officers in the navy.

Mr. Hamilton (York West): The term "warrant officer" is not restricted to any part of the forces anyway, as I understand it. That would cover the categories mentioned if there were any to qualify, would it not?

Mr. Campney: Yes, I think that is true.

Mr. Pearkes: May I ask whether there have been any chief petty officers who have been retired in the last six years who might be adversely affected by the fact that this had not been previously included?

Mr. Campney: The number is approximately 77 altogether.

Mr. Pearkes: What has happened to them? Have they received their pensions, or how have they been dealt with, seeing they were not included under the old act?

Mr. Campney: Up to the present time they have received a full pension.

Mr. Pearkes: In spite of the fact that they have not been shown? They have been included as having been in effect covered?

Mr. Campney: No.

Mr. Pearkes: What I am trying to get at is that we are suddenly adding these words "chief petty officer first class or second class". It is not a new rank; that rank has been in existence ever since the pension act has been in existence. What has happened to the chief petty officers first and second class who have retired during the time part 5 of the pension act has been in effect and until this amendment is passed?

Mr. Campney: They have been treated exactly the same as staff sergeants in the army. Prior to the effective date of the bill they will not be affected. This is so even though payments may have exceeded the restriction, which is a general restriction that obtains with respect to people from the

services within the limits of this act who later take up civilian occupations with the government.

Mr. Pearkes: These 70-odd men who have been retired have been adversely affected owing to the fact that these words have not been included in the act?

Mr. Campney: They have gained, because they have their full pension not subject to the adjustment that is provided for in this section. I think the general rule is that you get that part of your pension which when added to your salary does not exceed the pay and allowances of the position you had on retirement, so they have really gained.

Mr. Pearkes: The navy will not be very pleased about this amendment.

Mr. Campney: It is only fair.

Clause agreed to.

On clause 4—*Idem.*

Mr. Pearkes: Clause 4 refers to the collection of debts. In the old act reference was made to a man who was a debtor on account of pay. I believe that was there, though I have not had a chance to turn it up. Does it only refer to pay?

Mr. Campney: Perhaps I could shorten the discussion on this clause by saying that the only point in it is to provide a method of giving notice to the debtor. The law as it stood before this amendment provided that there should be a set-off from the man's pay account upon notice, but there was nothing in the section to indicate how the notice must be given. Therefore you had to find the man. Having regard to the usual procedure in matters of this kind, the amendment provides how notice may be given, either actual or constructive. Otherwise you have to find the man or you cannot give him notice.

Mr. Pearkes: This refers to overpayment, where there is a debt on the part of the man.

Mr. Campney: Yes.

Mr. Pearkes: He may have received more pay than he was entitled to owing to various circumstances.

Mr. Campney: That is correct.

Mr. Pearkes: Does it refer only to pay? Does it cover allowances? Does it cover any loans which may be made under the new act, whereby loans may be made to men in the various units or ships?

Mr. Campney: From the wording I think it would certainly apply to any debit balance resulting from, for example, any equipment he might have purchased and charged to his pay account. Any debit balance in his account, however it arose, would be collectable under this section.

Mr. Pearkes: Then that debit may be taken from his pension. Is that correct?

Mr. Campney: That is correct.

Mr. Pearkes: That raises the whole question of debts incurred by servicemen. If the services themselves are going to assume the right to collect a debt which is owing to the service by a man in the forces, should consideration not be given to the collection of debts which are owed to civilians by men who are in the services? I regret to say that from time to time there are men in the services who do not meet their civilian obligations. They escape paying their debts either by transfer or by the mere fact that they remain in the unit or retire on pension, and the civilian land owner or person who has rented accommodation to them or the man who has sold them a television set on time and so on cannot collect. Recently, as the minister knows, the bar association of British Columbia passed a resolution which I presume has been brought to his attention. It reads in part as follows:

> Whereas many merchants and others through dealing with persons in the employ and pay of the government of Canada, by giving to them credit, have suffered hardship and in many cases grievous loss because advantage is taken by such persons of the fact that their wages or salaries cannot be garnisheed—

Then it goes on to recommend that service personnel and other personnel in the employ of the government should come under the various provincial acts which govern these circumstances. There are not a great many cases so far as the armed forces are concerned, but there are a limited number. These men who do not live up to their obligations bring discredit to their ships or their units. If the government is now bringing in an amendment so as to be able to collect debts owing to the government, should the government not also consider providing some relief for those unfortunate persons who have been victimized by persons in the services who have not lived up to the traditions of the service, are not a credit to the service, and who may have gone on pension? It seems to me that if this is suitable procedure for the government for the collection of debts, then there should be an obligation on the government to see that debts owing to civilians are paid.

Mr. Campney: The pay account of a man in the services has always been regarded by the services, and I presume by the man himself, as a private matter between the two parties, the paying party and the receiving

party. To open up that position to the extent of allowing the paymaster to deduct alleged debts owing to other people would certainly be initiating a new principle, particularly if this practice were extended to the civil service. There may be some reasons why at first blush it would seem to be a desirable thing, but I am sure that on second thought my hon. friend will realize that it would hardly be practicable, and certainly would not make for good relations between the man and his employer, the government service.

Mr. Pearkes: Has this resolution of the bar association been brought to the minister's attention?

Mr. Campney: Yes. As a matter of fact we have received representations from time to time, as I presume those concerned with the administration of the civil service have, from interested bodies, I think that has been going on for quite a while. However, it is a very large subject and a very novel approach which, so far as I know, has not been accepted in any government circles, either civil or military.

Mr. Hamilton (York West): I should like to add my voice to that of the hon. member for Esquimalt-Saanich. I do not know whether it should be suggested that we are asking the government to act in any way as a collection agency, but certainly the brief that has been referred to has suggested that members of the armed forces should be placed in the same category as any civilians in connection with their civil obligations. At this time I do not think we should simply put the matter off by saying that in the past there has been a well-recognized principle.

It may be that in times of national emergency it would cause considerable dislocation in the armed forces to have the personnel subject to garnishee or attachment in some way for civilian debts, but in times such as these there would appear to be no reason why the same obligations should not be shouldered by these people as are shouldered by everyone else in the country. I strongly suggest that we do not rest this case simply on the basis of an old principle. As the hon. member for Esquimalt-Saanich has said, it brings no credit on the armed forces if there are people in the forces who avoid their obligations.

I think the vast majority of the people in the forces, no matter what branch they might be in, would be quite satisfied to see some change in this type of regulation. As I have said before, I do not think we should suggest that the paymaster become a collection agency; but if the government is prepared to take steps to protect its own position, as it is here, it should be willing to recognize the same principle on a broader basis.

As to the section itself, may I say this. It seems to me that here is an example of the lazy-man approach. If there is any credit left in the account of the person receiving the pay or the pension, obviously it is going to be necessary for the department to track that person down in order to make the payment; but it would appear that it would be much easier, if it is simply the case of a deduction, to send him notice of it. We are removing from the person who might be considered a defendant considerable of his rights in the first part of the section when we say that the governor in council by regulation may prescribe the manner in which this money can be collected. What excuse is there to take the next step and say "We can just send you notice of it by registered post"?

I do not know whether this is the ordinary type of contra-account transaction we have where we say, "We have $10 of yours, you owe us $5 and we are sending you on $5". But in any case it would appear that the combination expressed in the first part of the section and the second removes the opportunity for the man to put in his defence and say, "I do not owe you this money and I am not going to pay you until you prove it". Under this regulation the department simply has to say, "You owe this money, we have deducted it and that is what you have left".

Clause agreed to.

On clause 5—*Subordinate officers and men.*

Mr. Pearkes: We now come to the consideration of the amendments to the National Defence Act. In the notes with respect to clause 5 I see the following:

> This clause would permit the enrolment of a subordinate officer in the Canadian forces for either an indefinite or a fixed term of service . . .

Are they permitted to change from one to the other? Can a person who starts off on a fixed term change at his request to an indefinite term?

Mr. Campney: Generally speaking, if an officer starts off on a fixed term commission, he is working up to a permanent commission later on. This amendment deals with a particular type of officer known as a subordinate officer. I understand that a subordinate officer in the navy is an acting sub-lieutenant or a midshipman or a naval cadet; in the army he is an officer cadet; and in the air force he is a flight cadet. He is enrolled but not commissioned, although he is looked upon when he is enrolled as being a proper candidate, subject to check as his activities

go on, for a commission. Under the act as it now stands a subordinate officer can enrol only for a fixed term. The amendment provided by this clause would permit him to enrol either for an indefinite term or for a fixed term as at present. In other words it gives him wider latitude than he has under the law as it now stands.

Mr. Pearkes: That did not quite answer my question. I asked whether he would be able to change from enrolment for a fixed term into enrolment for an indefinite term. For instance, I have in mind a cadet at the H.M.C.S. *Venture* college at Esquimalt, who would be there for a fixed term of so many years. Could he during the period of that service change to an indefinite period?

Mr. Campney: Only with the consent of the service concerned.

Mr. Pearkes: Oh, yes.

Mr. Campney: It would be given, if it were given, after some period of observation as to his likelihood of becoming a successful officer.

Mr. Pearkes: Would the minister say why subclause 3 has been eliminated? In the present act paragraph 3 reads:

(3) A person under the age of 18 years shall not be enrolled without the consent of one of his parents or of his guardian.

That paragraph has been eliminated from the new amendment?

Mr. Campney: No. Subclause 3 is not being eliminated. The amendment that is made is just being made to subclause 2. Subclause 1 of section 21 and subclause 3 remain as they were.

Mr. Pearkes: They remain?

Mr. Campney: Yes.

Clause agreed to.

On clause 6—*Persons deemed to be under command of superior officer.*

Mr. Hamilton (York West): Before I make any remarks about this clause, may I say that I assume it covers people whether they are affiliated with the armed forces in Canada, within the jurisdiction here or in a foreign jurisdiction. Would that be right? Is that a proper assumption?

Mr. Campney: This section practically speaking, applies only outside of Canada.

Mr. Hamilton (York West): Perhaps that answer limits my remarks to a certain extent, but I am wondering whether the department has taken into account the fact that the use of nuclear weapons may necessitate the

[Mr. Campney.]

officer commanding having authority not only over those affiliated with the armed forces, as set out here, but that his authority perhaps—although some question of sovereignty may arise in connection with my remarks—may necessitate his having control over all the persons within an area and, in so far as our act is concerned, that he should be protected in connection with orders to remove all civilians within a certain area. Perhaps we cannot get around any liability which he might have in a foreign jurisdiction but certainly we should be able to provide that he is protected, in so far as our own armed forces are concerned, if he orders all civilians out of a certain area. This section would not appear to take that situation into account.

Mr. Campney: This section has nothing to do with civilians generally as a class. It has to do only with those within the definition of persons accompanying a unit outside of Canada. They have already been made subject to the code of service discipline but, under the law as it now stands, they have not been made subject to the orders of the commander of the unit to which they may be attached or which they may be accompanying. The purpose of this amendment is to give him some authority in certain cases.

These things take place, of course, in potential war areas. The idea is to give the commanding officer authority to take them under his command for purposes of defence and evacuation except as regards bearing arms. In other words, he could move them out of there or move them about for these purposes other than for active service in the sense of engaging in the bearing of arms. It is just a small gap that was found in the general law which provided that something could be done but did not provide who could do it.

Mr. Churchill: I wonder whether the minister could help us out here. Who are these people who are subject to the code of service discipline by virtue of the paragraphs that are mentioned here? Would the minister refresh our memories on that point?

Mr. Campney: Well, principally, of course, they will be dependents together with other civilians who for certain reasons would be accompanying the unit. The definition covers persons who participate with a unit or other element of the service in carrying out any of its movements, manoeuvres, duties, warlike operations, and so on. It would go no farther than those categories, plus the dependents of the members of the unit. These two general classes cover practically all cases.

Mr. Pearkes: May I ask whether I heard the minister correctly when he said this applied only to persons accompanying Canadian forces out of Canada? Where is that contained? I do not see it in subsection 8 of section 56 of the National Defence Act, as amended.

Mr. Campney: It was covered in the 1954 amendment. Subsection 7 (a) of section 56 defines persons accompanying the Canadian forces, and if I recollect correctly I think it deals only with dependents accompanying them out of Canada. Subsection 7 (a) of section 56, subclause (c), which defines classes of persons accompanying Canadian forces as, "a dependent out of Canada or of any officer or man serving beyond Canada in the unit", and so on.

Mr. Pearkes: That would not apply to any personnel who might be in the northern parts of Canada?

Mr. Campney: No, Mr. Chairman.

Clause agreed to.

On clause 7—*Parties to an offence.*

Mr. Pearkes: I have not had an opportunity of looking at the Criminal Code. Can the minister give assurance that this conforms exactly to the wording of the Criminal Code?

Mr. Campney: Yes, it does, Mr. Chairman. The new Criminal Code changes a little the results which flow from common intention in respect of offences under the code, and we have made the same changes in respect of service offences. I think the amendment is identical, word for word, with the Criminal Code.

Mr. Hamilton (York West): Would the minister answer this question. With respect to personnel serving outside of the country, what law is taken into account in defining "unlawful purpose"?

Mr. Campney: I think an unlawful purpose would be defined as under the Canadian Criminal Code in respect of Canadians, or under the National Defence Act, where we have our own code of service discipline which we administer whether at home or abroad.

Mr. Hamilton (York West): Would this not include any civilian law of the locality where the armed forces are serving?

Mr. Campney: Only to the extent that the National Defence Act makes an offence against the local law an offence under the National Defence Act. If the National Defence Act, as it does in some cases, makes the law of the place applicable, then the jurisdiction rests under the National Defence Act, but it would have to be within the limit of the provisions of that act.

Mr. Hamilton (York West): I have only one observation then, sir, in connection with this. As I understand it, this section did not appear in the previous act at all, and therefore it is an additional responsibility or liability of members of the armed forces. My concern is this. Certainly numerous situations arise in the armed forces which ordinarily may not arise in civilian life.

This section talks about an intention in common to carry out an unlawful purpose. In some sections of Europe to ask for a drink between eight and ten o'clock may be a breach of some code. Under these circumstances it would be most unfortunate if a group of Canadian soldiers were involved in some type of a dispute, many of whom had no thought of being involved in anything serious at all, and wound up being charged with a very serious offence because of the meaning of this section. I should like to feel that there was no question but that unlawful purpose was designated entirely within the realm of our own law and not by any definition of an outside jurisdiction.

Mr. Campney: Under the NATO arrangement, of course, we have usually the first opportunity to deal with those cases: otherwise the civil courts can deal with them under the amendments to the act which have already been brought into the house. As I understand it, so long as we apply the Canadian law that would cover unlawful purpose or any other subsidiary matter. Because we have generally the first right to try people in foreign countries for transgressing their law, it becomes a question, I should think, of relying on the judgment of the commanding officer or whoever is in charge of the unit or the area. If he failed to apply Canadian law then, in the second instance, such people can be tried under the law of the place where they are, but I cannot imagine any practical situation in relation to our own people, in any serious case, where a Canadian officer charged with the jurisdiction would pass it over to someone else.

Mr. Hamilton (York West): I am thinking of the places where the minister has indicated that by statute there has been an application of the law of the foreign jurisdiction. Notwithstanding the fact that the commanding officer, or whoever is going to be in charge of a court martial, may have the first opportunity to try an accused, would I not be right in saying that under whatever conflict of law exists he might have to apply the law of the civilian jurisdiction which has been made applicable by a previous statute or regulation to our own armed forces? If that be the case, even

though he might have jurisdiction to try, he might be working under a definition in those areas which would create considerable disability on the part of defence counsel.

Mr. Campney: It would appear in the case the hon. member has mentioned that the Canadian officer or tribunal having jurisdiction would apply, under all the existing regulations and the act, the Canadian law in determining any of these matters. But if there were no Canadian law—if it happened to be an act not made an offence by Canadian law—I would think he would have to apply the law of the place where he was at the time because if he did not the foreign court could then step in and apply it.

Clause agreed to.

On clause 8—*Parties to an offence.*

Mr. Pearkes: Clause 8 obviously provides penalties for what might be called an extension of looting or the searching of and stealing from bodies of the fallen. I was wondering whether the words "in the course of warlike operations" were not a rather strict limiting factor. Suppose circumstances occurred during extensive training periods where you might perhaps find an R.C.A.F. plane had crashed and the bodies might possibly be then tampered with. Would they be covered by that clause, or does this clause only refer to the strict interpretation of the words "in the course of warlike operations"?

Mr. Campney: Mr. Chairman, in most cases, of course, the ordinary law of theft would apply. It was felt however that the same amendment as was made to the army act of the United Kingdom last year after a good deal of investigation should be adopted. These particular offences which have to do with activities in the field are of a more serious nature and should be more stringently dealt with than ordinary cases of theft. I think that would also be why in subclause (g)—and this incidentally is taken directly from the British army act—the words "in the course of warlike operations" were added.

The net result of the clause which we have adopted from the British army act is that it has increased the maximum penalty. That is about the only real change; the reason being, as I have said, that it is felt that this type of offence is more heinous, more serious in the midst of activities in the field than ordinary theft.

Mr. Pearkes: I can see it being classed as ordinary theft here in Canada, but let us suppose our troops in Europe were engaged in extensive activities, as they have been in recent years, and there was an unfortunate accident there and a case occurred where, to take subclause (g) as an illustration, an attempt was made to steal from some of the men who had become unfortunate casualties. Would they be covered by this subclause or not?

Mr. Campney: The point the hon. member has raised would not come under subclause (g). It would be a case of theft, for which the penalties are also stringent but not as stringent as they would be in this case.

Mr. Pearkes: That is why I said I thought perhaps this was a rather strict limitation, and I wondered if you had considered expanding it?

Mr. Churchill: I was wondering if the minister would give us a little more explanation as to why this amendment is introduced now. It is all very well to say it is similar to section 30 of the army act, 1955, of the United Kingdom, but what has brought about the need for this to be introduced here in so far as the Canadian forces are concerned? We are not now engaged in warlike operations. Have we had anything like this in the past? Something must have brought this to a head.

Mr. Campney: Mr. Chairman, these subclauses of course do not apply in Canada at the moment. I think the reason they were introduced is because the investigation that took place in Great Britain and the changes made in their act—we try to keep in touch with the changes to the relevant acts in the United Kingdom and United States as well—commended themselves to us as being useful sections in the event of war and as being of assistance under such circumstances. There is no application at the present time, of course.

Mr. Churchill: It is aimed at looting, is it? Were the investigations carried on in Britain as a result of looting in the second world war, or were they the result of something which happened in Korea or Malaya?

Mr. Campney: There are probably a number of reasons but I think one of the reasons is that frequently plans, documents and identification and so on which might have proved useful were removed and thrown away or scattered about. The fact that such actions have been made serious offences might tend to correct some of that sort of thing. Also in time of war I should say one has to be pretty stringent in regard to the punishment of anything savouring of theft.

The only difference in the application of these subclauses would be that the maximum penalty for stealing would be increased under the code of service discipline from 7 years, or 14 years, under certain circumstances. Incidentally, these penalties are somewhat less than those imposed under the Criminal Code.

It is a question really of making the punishment fit what they regard as the crime, I suppose. It is not a change in the definition of what constitutes theft or what constitutes an offence, but it is making optional the gradation of the seriousness of punishment.

It has also just been pointed out to me that while it is generally true that these three subclauses deal with theft, some of the offences listed here would not be strictly theft at all, but are peculiar to the war-like conditions under which we would be operating.

Mr. Churchill: Yes, Mr. Chairman, but does not section 68 deal with property of the government and matters pertaining to that? Yet this amendment, certainly in subclause (i), extends to property abandoned by the enemy. The present section 68 does not go quite that far at all; it has nothing to do with enemy property.

Mr. Campney: Well, property abandoned by the enemy of course automatically becomes the property of the government of the successful country engaged. It does not lapse; it becomes the property of that country immediately.

Mr. Herridge: I would like to ask the minister a question with respect to subclause (g), which reads:

> Steals from, or with intent to steal searches, the person of any person killed or wounded, in the course of warlike operations;

I remember at Ypres we were advancing on one occasion. We had been in the trenches for a week or two and my feet swelled up so I could hardly bear my boots. When we were advancing I ran across a poor unfortunate Australian, and I stopped for a few minutes and took off his boots and put them on. Would a soldier be guilty of an offence under this clause under those circumstances?

Mr. Campney: I would not think he would under the circumstances outlined by the hon. member.

Mr. Herridge: I suppose it would be a question, as the deputy minister of justice says, of being morally innocent.

Mr. Quelch: I remember in the first war we were quite short of equipment, and it was a common practice to take a pair of binoculars or a revolver from a German officer and use it for our own personal use. We did not call it stealing, we called it commandeering. Would a man doing those things be liable under this clause?

Mr. Hamilton (York West): In the last war you just gave them a receipt signed "Joe Blow".

Mr. Churchill: I think this matter deserves a little more consideration. As has just been mentioned, enemy property taken during the first war was considered to be commandeered, whereas in the second world war it was considered to be liberated. I think a little haste has been shown in inserting this particular amendment without giving full consideration to all the possibilities. A good example was given by the hon. member for Kootenay West. Anyone who served overseas can recall multiple instances of these things; and while the minister may say that under those circumstances an officer or man would not be charged, I am not too sure. If we had a particularly efficient adjutant general's department and a very efficient provost corps, troops who were doing commandeering or liberating at the front might be borne down upon quite heavily. I would not want to give the adjutant general or the provost corps any more power than they have at the present time.

I fail to understand why this amendment should be suddenly brought forward during peacetime. In case of war it might be necessary to be more careful with regard to looting, although section 68 of the National Defence Act seems to provide sufficient protection against this offence. I think it goes far enough. If we write into the National Defence Act something which cannot be enforced, then we will be bringing the law into disrepute. I do not see how you could enforce this clause in the field under actual service conditions. There would be enemy property that was abandoned, and it would be taken otherwise than for the public service. I can assure you of that. If a person were on the stand he might be able to declare that what he had done with the abandoned enemy property was for the public service, but he would be in an awkward position.

If this section concerned only our own people or our allies from whom things were taken, that would be a different matter entirely; but when it comes to the enemy I am not at all sure that you can effectively guard against what appear to people in the field to be legitimate operations. I suggest to the minister that he withhold this particular amendment for further consideration.

Mr. Campney: This clause has been brought forward because the people in the department agree with the British that we should profit from some of the experiences of the past and get our statute in shape to deal with emergencies that might occur, although we hope they will not occur. It seems to me

that any provisions which might tend to discourage the wrongs that might occur in warlike operations, particularly anything savouring of looting or of dealing carelessly with valuable documents and so on, would be of extreme value. Such provisions would prove to be most beneficial if war should break out.

The subsections do not apply in peacetime, but if unfortunately we should be involved in a war I think we should be able to deal with these matters very stringently. Probably in a new war we would have to deal with them more stringently than was the case in any past war.

Mr. Churchill: I still am not convinced that we have to introduce this section. British experience may point to the need of it, but Canadian experience has been rather extensive. I gather from the minister's remarks that the request for this has emerged from the intelligence branch. I imagine they have felt that some valuable material was lost in the last war, or perhaps in Korea, which would have been most useful to their service. Of course a good point can be made on the basis of the requirements of intelligence, but I still am far from being convinced that we need to write this into the act at the present time. I do not know that the minister has advanced sufficient reasons for it being incorporated in the act when section 68 has served so well up to the present.

I do not object to the department looking at what is being done in the United Kingdom or the United States with regard to matters of this sort, but we have a very extensive Canadian experience in service problems, and if this has not been brought up by Canadian service personnel as the result of Canadian experience in active theatres of war I think it might well be held over.

Mr. McIvor: I think the word "steal" should be defined. A man who takes for his own use and does it out in the open with everybody knowing about it is not stealing, but a man who takes in order to sell so that he may put money in his own pocket is really stealing.

Mr. Pallett: What about the man who holds up a bank?

Mr. Jones: I think the last suggestion is worthy of consideration. The word "stealing" should be defined. I remember losing my compass in France and I was lost without it. I found another, and made use of it. Was that stealing? It was not mine, but it helped me out of a difficulty.

Clause agreed to.

[Mr. Campney.]

On clause 9—*Improper driving of vehicles.*

Mr. Trainor: Dealing with paragraph (c), the minister will be aware that certain drugs are used in the treatment of illness which are capable of impairing the ability to drive a motor vehicle. It seems to me it would be unfortunate if the penalty provided by this clause were to be applied in such cases. I think some exception should be made in paragraph (c) to cover drugs which are used under a prescription by a medical officer.

Mr. Campney: Surely if a man is impaired by the use of a drug he should not be driving a vehicle, even though the drug has been administered for medical purposes. The person certainly would be aware that he had been treated with such a drug, and whether his driving capacity had been impaired to the danger of the public and other motorists on the highway. Surely the test must be whether, by reason of alcohol or by the use of a drug, under any circumstances he has become a danger or a menace on the highway.

Mr. Churchill: Subparagraph (c) states:

> having charge of a vehicle of the Canadian forces knowingly permits it to be driven by a person whose ability to drive such a vehicle is impaired by alcohol or a drug;
> is guilty of an offence . . .

Private soldiers are placed in charge of vehicles. If the private soldier has that vehicle taken by an intoxicated superior officer, whether he is a corporal, a sergeant, a sergeant major or a commissioned officer, who bears the blame? It is the private soldier against whom the vehicle is charged. Would he bear the penalty, or what would the army do under those circumstances?

Mr. Campney: Generally speaking, the senior officer in the vehicle is in charge of the vehicle, and this amendment is intended to make that very clear. Under certain circumstances, if the senior officer is in charge of the vehicle and is not capable of exerting the charge, he is still liable, I would say, and he is also responsible, whether he is impaired or whether he is not, in law for the acts of the junior driving the vehicle. He should not be in that condition, and the intention of this subclause is to make the officer in the vehicle responsible for the driving, whoever under him is actually driving it. I think it is only fair and proper that he should be.

Mr. Hamilton (York West): I think the minister has missed the point of the question by the hon. member. The situation that he referred to was that the man junior in rank had actually been placed in charge of the vehicle and that the man senior in rank, who might be intoxicated, had come along and taken the vehicle away from him, or asserted his authority. Would the junior

still be chargeable under this clause? I think that was the question.

Mr. Campney: I should not think he would be. Under those circumstances, I think the junior would be exonerated. He cannot be held responsible for something he cannot prevent, and he certainly could not be said to have permitted it to take place.

Mr. Pallett: As a hypothetical question, supposing there is a sergeant in charge of the vehicle and an officer comes down insisting on a vehicle, what happens then?

Mr. Campney: I think the general procedure would obtain that, if the sergeant received an order from an officer, prima facie he has to carry it out. I do not think this would be any different from any other circumstances.

Mr. Hamilton (York West): Then is the minister saying that, if the person senior in rank to the person who had been placed in charge of the vehicle takes the vehicle on his authority, he then is the person who becomes in charge of that vehicle and the only one who can be charged under that section?

Mr. Campney: That would certainly be my understanding.

Mr. Hamilton (York West): In regard to this clause I notice too that the wording of subclause (b) does not conform exactly with the wording of the Criminal Code, section 223. The Criminal Code says:

. . . drives a motor vehicle or has the care or control of a motor vehicle . . .

Whereas the clause here says:

. . . drives or attempts to drive such a vehicle . .

We have had numerous cases under the Criminal Code where convictions have taken place, where the accused had been under the influence and had been simply sitting in the vehicle. Is this change in the wording going to make it better for the accused and perhaps give some leeway in his defence or perhaps make it more stringent for him?

Mr. Campney: I presume the hon. member has looked also at subclause 2 of the amending clause, which must also be read in this connection. The change to which he refers is from the words "care or control" to "drives or attempts to drive." In many cases the care or control of the vehicle would be vested in the senior officer in the vehicle. It was changed to make it tie in with military conditions.

Mr. Hamilton (York West): Then in this particular case, if I might pursue it, reading subclause 2, it has even removed one of the possible defences available to the accused under the Criminal Code. In this particular case it is established that if he is sitting in this particular seat he in fact is considered to have attempted to drive such a vehicle and must assume the burden of proving otherwise. Is that not a greater burden than is presented under the section of the Criminal Code and the ordinary rules of evidence?

Mr. Campney: I should not think that is correct, because in the Criminal Code the words used are "care or control." That is a rebuttable presumption in the Criminal Code; and it is also in this subclause 2 a rebuttable presumption that he entered the vehicle in order to drive it. I do not see that there is very much difference in the implications except that in the Criminal Code the words used throughout those sections are "care or control" and in this clause the words used are "drives or attempts to drive."

Mr. Hamilton (York West): Perhaps I may be splitting hairs on this, but suppose a person who does not own a car at all and might be considered by some people under the influence gets in the car and sits there. Under the Criminal Code it would be the obligation of the crown to prove that that person either drove the car or had the care or control of the car. The obligation would be on the crown to prove that. Under this clause if the same circumstances took place, the burden of proof —and I think ordinarily we are very jealous of these particular rules of evidence—under our Criminal Code would shift over, and it would be on the accused to prove that he did not have the care or did not attempt to drive, as the case may be.

Mr. Campney: I think the hon. member is in error, because the same presumption arises in each case. Section 224 of the Criminal Code, subsection 2, reads as follows:

For the purpose of sections 222 and 223, where a person occupies the seat ordinarily occupied by the driver of a motor vehicle he shall be deemed to have the care or control of the vehicle unless he establishes that he did not enter or mount the vehicle for the purpose of setting it in motion.

Mr. Hamilton (York West): That would appear to answer it.

Mr. Campney: The same presumption exists here. The crown does not have to prove anything under this section of the Criminal Code; neither does the prosecutor under the proposed amendment.

Mr. McIvor: I should like to ask the minister a question. I had a case some years ago of a lady who was hit by an army truck and the driver was guilty of breaking the law. She could only get a box of chocolates from the army surgeon. There was no way

that she could collect, and I must say that I did my best. Is there anything in this provision that will afford protection in a case like that? She had a good position as a dressmaker and had to go to the hospital. She got a box of chocolates but she sent it back.

Mr. Campney: I am afraid that on the meagre facts adduced I could not very well express an opinion.

Clause agreed to.

On clause 10—*Appointment of commissioner.*

Mr. Carrick: Mr. Chairman, I am wondering what reason the minister may have for thinking that he will be able to get evidence taken on commission from a witness in a foreign country where that witness is reluctant to appear voluntarily before a court martial.

Mr. Campney: I can think of one or two cases which might arise. For example, a man some distance from the place where the trial is taking place might be unwilling to leave his business to attend the trial whereas he might be quite willing to give evidence if someone duly authorized would come and take it. There are a number of other instances, I am sure, if I could think of them at the moment, where that would obtain. It is just an attempt to try to increase the likelihood that all the evidence in any of these cases will be brought in in one way or another, acceptable in law, of course. We hope that it may prove useful in cases such as I have mentioned and others that may occur to hon. members. It is probably not going to be effective in a great many cases but it could be helpful.

Mr. Jones: Paragraph (a) refers to the securing of evidence for both the prosecution and the accused. It ends by saying:

> . . . or that the attendance of a witness for the accused person is not readily obtainable—

And so on. But paragraph (b) only takes care of the prosecution. There is no provision made for the taking of the evidence of a witness for the accused when the witness is outside of Canada. I think the accused should be treated in the same way as the prosecution. I do not know whether it is an omission. You cover it in paragraph (a) but you do not in paragraph (b), and I think the accused should be protected.

Mr. Campney: Well, it seems to me that the defendant is protected in any case.

Mr. Jones: In paragraph (a), yes, but if you read paragraph (b) there is no mention made of the taking of the evidence of a witness for the accused who is outside of Canada.

Mr. Campney: I am not just sure that I understand the hon. member's question clearly, but all this clause does is to extend the mechanics or the method or the possibility of obtaining evidence for the prosecution. The defendant has the widest possible latitude and evidence can be taken where it is not readily obtainable at the trial for any reason.

Mr. Jones: Where the serviceman is outside of Canada and more or less at the mercy of the service he should be protected in the same way as the prosecution, and apparently he does not have the same power to call witnesses according to this provision.

Mr. Campney: Frankly, it seems to me that he is more fully protected.

Mr. Carrick: May I ask the minister if he considers paragraph (a) of subclause 1 applicable to courts martial outside of Canada so that the provision where the attendance of a witness for the accused person is not readily obtainable for any reason would apply?

Mr. Campney: Yes, paragraph (a) is applicable outside of Canada.

Mr. Hamilton (York West): There must be some reason for the additional words, "under the law of that place there is no provision for compulsory attendance" in paragraph (b) when they are not in (a). I would feel that the observation that the wording should be extended to include the accused person is probably right. It is an additional reason over and above that stated in paragraph (a).

Mr. Campney: The general principle underlying these amendments is that we give the widest possible latitude to the defence under any possible circumstances to call evidence. The rights of the prosecution are more limited, and this is an attempt to extend it slightly.

Mr. Pearkes: But why is it necessary then to add the words in paragraph (a), "or that the attendance of a witness for the accused person is not readily obtainable for any reason"? If it is necessary to include them in paragraph (a), surely it is desirable to add them to paragraph (b).

Mr. Jones: I think paragraph (b) could read, "that the attendance of a witness for the prosecution or the accused". I think it is only just.

Mr. Campney: I might put it another way. The intention of the amendments in this clause is to give the accused the widest possible latitude to call his witnesses and to

keep the prosecution within reasonable limits. In other words, the section is in favour of the accused.

Mr. Jones: No, the section is in favour of the prosecution. It is going to enable them to secure further evidence and that is not necessarily so as far as the accused is concerned. I think that is quite clear.

Mr. Dickey: No, that is not clear at all. Paragraph (a) says that the judge advocate general or such other person as he may appoint for that purpose may appoint an officer or other qualified person as a commissioner to take the evidence of a witness under oath if the attendance of that witness for the accused person is not readily obtainable for any reason. That is complete. But paragraph (b) limits the authority of the judge advocate general with respect to appointing a commissioner to take the evidence of a witness for the prosecution to instances outside of Canada where the attendance of that witness cannot be forced by the provisions of the law of that country for compulsory attendance. In other words, it is only operative where there is no law in that country under which the prosecutor can go and enforce the attendance of the witness. That is not being required of the accused. That is all.

Mr. Hamilton (York West): I think there is a fair amount of reason to the observation of the senior member for Halifax, but in connection with paragraph (b) is it the practice of the department always to extend to the accused's officer counsel the opportunity to attend upon an examination by a commission for the purpose of cross-examination? I think that would be a very important item to consider in connection with paragraph (b).

Mr. Campney: Yes, it is always the practice to have the representative of the accused present. In fact, it is required by the act itself, section 155, subsection 4.

Clause agreed to.

Clause 11 agreed to.

On clause 12.

Mr. Hamilton (York West): Perhaps I should reword this question. This addition does not in itself indicate that tolls or charges will be paid. It simply says that the treasury board may authorize payment of duties and tolls in respect of such use. Is it the intention that tolls and charges of the kind mentioned here in the explanation will be paid from now on?

Mr. Campney: The hon. member is talking about clause 13.

Mr. Hamilton (York West): I am sorry.

Mr. Cameron (Nanaimo): Can the minister tell us why subsection (2) of section 178 is now being repealed? Is there some difference now?

Mr. Campney: No. It is just being re-enacted in order that it may fit into the proper place in the act.

Mr. Cameron (Nanaimo): I understand.

Clause agreed to.

On clause 13—*Duties or tolls on roads, bridges, etc.*

Mr. Hamilton (York West): May I have an answer now to the question I just asked?

Mr. Campney: The section as it stands in the act is a complete bar to the payment of tolls, in the circumstances set out in the section, by the Department of National Defence, on bridges and highways, over canals and so on. But certain circumstances have arisen in a number of places which make it desirable that under these circumstances we should be required or might reasonably be required in the department to pay tolls. It is not an automatic abrogation of the section. It is merely putting a rider into the section to permit—where treasury board thinks the facts warrant it—the payment of tolls by the department.

Mr. Hamilton (York West): How will that work out? We can envisage an army convoy coming to a toll bridge. What is the procedure going to be as far as the payment of tolls for the whole convoy is concerned? Have there been any problems in the past in connection with manoeuvres, where convoys have been stopped and payment has been charged or attempted to be charged?

Mr. Campney: The bridges and other facilities which we shall have to deal with will necessitate making agreements in relation to convoys and so on, as the hon. member implies. But the section is worded in that way purposely so that where the circumstances arise—there are not very many toll bridges in the country—or where the question does arise treasury board in fact may be the judges as to what sort of arrangement should be made what payment will be permitted and so on. In other words, it is a purely permissive addition to the clause.

Mr. Hamilton (York West): Instead of causing great confusion in army convoys, may I suggest to the minister that he might use his influence with the Minister of Finance and see whether he could not get a little bit more help for the municipalities. Then he would not have to pay any tolls over their bridges.

Mr. Pearkes: A much bigger problem arises in connection with Her Majesty's ships tying up at wharves. In the past I believe Her Majesty's ships have paid no wharfage when they have tied up at any pier in a harbour. Is it now the intention to reimburse municipalities where there are wharves other than government wharves? Suppose a naval vessel ties up at, shall we say, a C.P.R. wharf. Is it now the intention to pay the C.P.R. wharfage?

Mr. Campney: It would depend upon the circumstances. I may say that so far as I know that particular phase of the question has not arisen. At any rate, it has not been brought to my attention.

Mr. Herridge: I should like to ask the minister whether this section would make it possible for provinces or councils or municipalities to be compensated for damage to highways or roads or bridges caused by heavy army vehicles and that kind of equipment?

Mr. Campney: No.

Mr. Cameron (Nanaimo): Can the minister tell us what sort of circumstances they would be that would make it proper to pay in one instance and not in another? I must confess that I find that matter difficult to understand.

Mr. Campney: In some cases the federal government has contributed substantially to the cost of a bridge and has made agreements exempting all departments from tolls. We have one case where a municipality purchased at the going rate and paid a substantial sum to the department for some of the land for part of the abutment to a bridge, and paid cash. There are two different sets of circumstances. In one there is a contractual freedom from tolls because it was part of the deal. In the other case the government contributed nothing; in fact, it profited by the transaction. I think of at least those two instances at the moment. I do not think they can be treated in the same way.

Mr. Cameron (Nanaimo): Would not the fact of the existence of contractual agreement exempt the government from paying without this amendment at all?

Mr. Campney: Oh, yes.

Mr. Cameron (Nanaimo): You do not need this amendment to cover that feature. What are the other circumstances?

Mr. Campney: We need this amendment only where circumstances make it seem that we should pay.

Mr. Cameron (Nanaimo): You have not yet told us what circumstances they might be.

Mr. Campney: I am instancing a case in point where a bridge has been constructed and where in the construction of the bridge we—the government—did not contribute anything; and where we sold a piece of land at a reasonable price and received the money for it. In that case the municipality says, "You should pay tolls; we have bought your land and paid you for it and we have no agreement with you". In each case it is a matter of making out a case that we should pay. It is only in cases of that nature where this amendment would have effect.

Mr. Stewart (Winnipeg North): How many such cases are there and where are those cases situated?

Mr. Campney: The question arose in the first instance in connection with the Halifax-Dartmouth bridge. The only other bridges that I know of, other than international bridges, are the Lions Gate bridge in Vancouver; the Victoria bridge in Montreal; the Jacques Cartier bridge in Montreal and the Canso causeway. I think those are about the only ones that I am aware of.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time?

Mr. Pearkes: Next sitting of the house.

Mr. Speaker: Next sitting of the house.

INCOME TAX ACT

AMENDMENTS RESPECTING ASSESSMENTS, BOOKS AND RECORDS, ETC.

The house resumed, from Tuesday, April 24, consideration of the motion of Mr. Fulton for the second reading of Bill No. 52, to amend the Income Tax Act.

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the debate was adjourned on April 24 by the hon. member for Middlesex East (Mr. White). Does he intend to continue?

I wish to make a few remarks with reference to the argument put up by the hon. member for Kamloops (Mr. Fulton) and the hon. member for Middlesex East. In the debate the hon. member for Kamloops dealt at some length with the principles which he considered were involved. However, the argument of the hon. member for Middlesex East was mostly along the line of particular cases. I think the particular cases could, with all reasonableness, be dealt with when the estimates of the department come before the house. I may say that the estimates of the Department of National Revenue, taxation

division, have already been before the select committee, and most of the principles and a lot of the details were dealt with in that committee. If those who are interested would follow the report of the proceedings that took place there probably they could get answers to most of the questions of the type that had been raised both when this bill was before the house and by hon. members on different occasions.

What I want to say is there can be no doubt at all that it is highly desirable—and the department agrees with this—that every taxpayer in the country should be able to settle and determine with finality the amount of his liability for income tax as quickly as it is practically possible. The government has accepted in principle the idea that there should be a point beyond which the crown cannot go back and change an assessment unless the taxpayer was guilty of fraud or misrepresentation. With this in mind, the six-year limitation was introduced in the income tax in 1944. Since that time progress has been made in getting the work of the taxation division more up to date and the Minister of Finance, who perhaps may have something to say in the course of this debate, has considered the possibility of shortening the six-year term; that is under consideration. Whether the three-year limit proposed in this bill is suitable or not, it is not a limitation that we can accept at this time until further studies have been made.

Mention has been made here of the fact that very considerable progress has been made in getting the work of the taxation division up to date. Ten years ago, or 12 years ago, from 1945 on, there was a great backlog of work which had to be done. That backlog was the accumulation of unassessed returns, because of the fact that during the war years a great number of our staff had been diverted into private enterprise and it became increasingly hard to recruit people to do the work. At that time I remember we had somewhere between 11,000 and 12,000 employees in the central office here, in what we call the head office, and in the 28 divisions which we have throughout the country. I am very happy to say that that backlog of work has been cleaned up and we are now on a current basis. The same amount of work, or considerably more work, is now being done with 6,000 to 7,000 employees that was formerly done by 11,000 or more.

From the consideration of the precise period of time, three years, which has been suggested, I should like to turn briefly to the technical aspects of the bill. The bill recognizes the possibility of conflict with section 42 of the act. Section 42 has to do with assessments averaging for farmers and fishermen. Therefore, if the investigation were only a three-year period there would be a conflict in that averaging which is given to farmers and fishermen.

It should be noted that section 43 operates in much the same way as section 42. It is immediately apparent that the operation of sections 53, 64 and 80 might be seriously affected. Further study will no doubt reveal other provisions that would require some changes. This is not the kind of thing we should rush into without first deciding what to do about those other provisions, some of which have been inserted for alleviation of the tax burden.

Let me deal with the technical aspects of the bill. I suggest it does not say what the hon. member for Kamloops has in mind. In line 18 we find the words:

> Such assessment shall be deemed to be final.

In lines 21 and 22 we find the words:

> Such assessment shall not thereafter be subject to be re-opened or varied.

The words "such assessments" refer back only to the original assessment mentioned earlier in the section. No account is taken of the possibility that there may already have been a subsequent assessment that varied the original assessment. Furthermore, this language is much stronger than that found in section 46, and it appears to be in conflict with subsection 7 of that section, which provides for the assessment being varied as the result of an objection or an appeal.

I feel sure the sponsor of this bill did not intend that court decisions must be reached within three years. I only point this out as one of the technical oversights that makes the bill somewhat objectionable. More serious objection to be found with the substance of the bill is the manner in which it would hamper investigation. As I read it, it specifically provides that the taxation division cannot investigate returns more than three years old unless fraud is alleged in respect of that particular year. To allege fraud or wilful misrepresentation is a very serious matter. It is not something that can be done before investigation starts. Though the officials investigating might have very good reason for thinking some income has been omitted from a taxpayer's return, or that income has been incorrectly calculated, or even though they may suspect fraud, I assure the house it is not their practice to allege fraud before seeking substantial corroborative evidence. Even where fraud has been proven in a current year I would hesitate to ask anyone to allege fraud in a previous year

before it had been possible to investigate those previous years. Yet this is what the bill appears to require.

Early in 1955 a case was completed in a certain city in Canada involving a group of individuals and corporations engaged in a certain type of business. The corporations and the individuals were convicted of evading more than $600,000 of taxes, with charges laid for each of the years 1942 to 1952. This investigation was started in 1952. Careful and thorough planning was necessary to ensure that evidence would be available. This was particularly true because immediately prior to starting the investigation reassessments involving additional taxes of only a few hundred dollars were made, based on the books and records made available by the corporations and the individuals concerned. Does the house wish to circumscribe and hinder investigations which have produced and will continue to produce such results?

I do not think this matter of investigation should be left without pointing out to the house that in fraud cases much of the information is obtained from sources other than the taxpayer's own books and records. The right to inquire from or require information from persons applies to "any person" and not just the person being investigated. The proposed bill would make it impossible to get information, in many cases, from suppliers, customers and banks without advising those parties that the department has alleged fraud. It is bad enough, indeed, to tell the taxpayer at an early stage of the investigation that the department is alleging fraud, but surely it is highly undesirable, to say the least, to insert provisions that would spread the knowledge that the department has alleged fraud or wilful misrepresentation to many of the taxpayer's business associates. His name would be blackened before the matter was brought before the courts.

I am not suggesting, Mr. Speaker, that the author of this bill had any intention of giving any protection or assistance to anyone who is deliberately evading taxes. I am quite sure that he had not. However, I feel sure that after close scrutiny of the provisions before us the house will agree that something more than the words before us is necessary and that we should take a cautious approach to this subject.

Mr. Speaker, I repeat I am not averse to a further limitation of the powers to reassess, having regard to all the considerations this house had when the present six-year limitation was introduced, and I may say the matter was considered before the present income tax bill was brought down. To my knowledge, however, the change has not been made but I am going to let the Minister of Finance (Mr. Harris) give the reasons for that. The ramifications of the effects of this bill, in some cases adverse to taxpayers, have not been fully studied in its drafting. I accordingly must oppose the bill at this time in its present form.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am going to be very brief indeed; I have not the capacity this afternoon to talk for more than about three minutes.

We commend the hon. member for Kamloops (Mr. Fulton) for his diligence and attention to this problem. I am quite sure he has brought it forward because he realizes it is a matter of serious concern to a large number of Canadians. Hon. members in this group have received similar complaints and have had similar suggestions made for some amendment to the present form of assessment going back for a number of years.

While we feel the bill would possibly not achieve all the hon. member aims to achieve at this time—and I listened with great interest to the minister's remarks—and although possibly it has some minor defects, nevertheless we in this group intend to support the bill, Mr. Speaker. We give our support to the purpose of the hon. member for Kamloops in bringing this matter before the house and introducing this bill. That purpose is one we heartily agree with. It is to provide justice for all Canadian taxpayers and a system of income tax administration that will receive the unqualified support of the majority of fair-minded citizens.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I too shall be very brief because my colleague the Minister of National Revenue has placed before the house the reasons why we feel obliged to oppose this bill. Nevertheless I think I should add something he probably could not say, and that is that one ought to consider the remarks made just this moment by the hon. member for Kootenay East.

Mr. Herridge: Kootenay West.

Mr. Harris: Kootenay West; I beg your pardon.

Mr. Herridge: There is some distinction.

Mr. Harris: We must consider what in fact is justice to the taxpayers of Canada. I am not going to argue anything at all except this. The payment of taxes is the greatest form of justice that can be exercised to the taxpayers of Canada. A government must be in a position to collect taxes equally and fairly from those who should pay them. It may very well happen that with a staff which, while not limited in numbers, nevertheless is not

increased particularly at any given time, that a government collecting agency would fall behind in normal work in collecting taxes. It also means that the person who inadvertently, as well as the person who deliberately, avoids the payment of taxes may not possibly be reached in the ordinary way without the passage of some time.

I think we all agree on this, that if we are going to exempt people from taxation because they have not been assessed by a particular period of time, it must be on the assumption that first of all we can afford not to have those taxes and secondly that we should place in the hands of the government every facility to have assessed that person and collected the taxes by that particular time.

Now, that is the issue at this particular moment. My hon. friend says he wants to limit the amount of time within which the government can collect taxes, except on certain conditions, from the Canadian taxpayers as a whole. The Minister of National Revenue (Mr. McCann) has indicated that in the normal course of events it is likely that people will not be assessed until a certain time has elapsed. I am in the position as the Minister of Finance of having to say to my colleague that if that is the case it will be necessary then for me to give that department at the expense of the Canadian taxpayer additional people, additional inspectors, additional assessors, in order that we can be sure the three or four million people who pay taxes in this country can in fact be assessed within a given time.

Now then, in addition to that, we are going to say to the Minister of National Revenue that if in the course of his investigations he finds that Mr. A has not paid his taxes when he should have and if he finds this perchance by some other means—not by just going to his house—he is not entitled to use that information if a certain time has run by unless, as I understand the bill, he can prove that the individual deliberately and fraudulently avoided the payment of taxes.

I realize, Mr. Speaker, there is bound to be a period of time after which you will not do this. We have always thought the six years was a reasonable length of time. As far as I am concerned, I quite understand the vexation that may be attendant upon a person who thinks he has and who has in fact settled his accounts and then finds at a later time that he has not. On the other hand, I am conscious of the fact that six years is not in my view too long generally for this kind of work to be done under present circumstances and that if you abridge the time—at least if you abridge it as substantially as the present bill suggests—you are undoubtedly going to place the government of Canada in a position—I am not going to say of doubling the number of people employed for this purpose—of substantially increasing it or of asking me to admit in the house that it will be impossible to collect all the taxes that ought to be paid by citizens who want to pay their taxes and those who try to avoid so doing.

Under those circumstances, sir, we gave consideration last year—I might say before the budget was presented—to this problem and we gave consideration to it again this year and we could not come to the conclusion that we should abridge the time at the present moment without the possibility that we would be deprived of a considerable sum of money which we think we are entitled to in fairness to all the Canadian taxpayers who are paying their taxes. It may be possible that the time could be abridged less than what the hon. member for Kamloops has in mind. I quite agree that we would remove some of the vexatious difficulties if we did that, but I am not satisfied yet, and I accept the responsibility for the decision, not my colleague the Minister of National Revenue, that at this moment we cannot accept the bill. All I can say is that we have made progress in the two discussions we have had last year and this year in examining the whole problem to see if we could not cut down the six years. Therefore in the meantime I propose to oppose the bill for that reason, and that reason alone.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, when the minister was speaking I was wondering whether what he told us implies that the department has been gradually falling behind in this work.

Mr. Harris: No.

Mr. Cameron (Nanaimo): If not, it would appear to me that the question he raised of having to appoint more staff is not as serious as one might perhaps think. It merely means that there is not a large enough staff to review these cases within the set time. I would suggest that we should have more information as to how many extra staff will be required before we are asked to accept that explanation. Surely once that backlog is caught up with, and there must be a backlog, it should be possible, if you are not falling behind with your present staff, to do this work in three years instead of six years. If it is taking six years you must be falling behind at some point.

Mr. Victor Quelch (Acadia): Mr. Speaker, I think this bill is a good one. Many cases

have been brought to my attention in the past few years of farmers who thought they had paid their taxes in full and then one day receiving a notice that an inspector would be in the district and they were to appear before him with their records for the past six years. In many cases they had not those records as many of them had been destroyed and consequently a net worth statement had to be filled out in which arbitrary figures were used. I am satisfied that in many cases the farmer had to pay additional taxes which should not have been paid simply because some records had been lost and arbitrary figures were used in filling out the net worth statement. I admit that there are certain difficulties, but I think that is the responsibility of the department. I do not think farmers should be penalized as a result of the government not having sufficient inspectors to do this work more efficiently.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, when the Minister of National Revenue (Mr. McCann) said at the beginning of his remarks that the department was considering the possibility of reducing the time available for reopening assessments—the minister would not agree with the three-year limit suggested in my bill as he said he had not made up his mind as to what shorter period would be appropriate—I was inclined to say to myself that it might be appropriate to defer asking for a decision on the bill. However, when the Minister of Finance (Mr. Harris) rose he used words which seemed to suggest to me that in his view he was not prepared to admit that six years was too long. In fact I think those were the words he used, that he was not prepared to admit that the six-year period was too long. Therefore, Mr. Speaker, I am in the position of having had my hopes raised by the Minister of National Revenue and then having them dashed by the Minister of Finance.

Mr. Harris: Would the hon. member permit an interjection? I do not think that I said that at the moment I was prepared to admit that, but we have been considering whether or not the time could be abridged.

Mr. Fulton: The minister has modified somewhat my impression of what he said earlier, but I think it will be found on *Hansard* that he did say something very much to the effect that he was not prepared as yet to admit that six years was too long, that in fact it could be reduced below six years. It seems to me that the only thing to do is to call for a decision on the bill and the principle involved in the bill.

The principle involved in the bill is that there should be a limitation of three years after the date of a final assessment within which the department must reopen an assessment unless it alleges fraud or wilful misrepresentation, and that after a three-year period from the date of the final assessment the assessment will become not subject to reopening or review unless, as I say, there is then an allegation of fraud or wilful misrepresentation.

The Minister of National Revenue said that there was some possible conflict with sections 43, 53, 64 and 80 of the act. I do not pretend to be an expert draftsman but in the short time available to me I have looked at the act and I cannot see that there is any irreconcilable conflict. I believe that by and large those sections have to do with averaging and they would prevail if there were no conflict. The bill expressly preserves the right of averaging given in section 42 and therefore I cannot see that there would be any conflict which would work to the detriment of the taxpayer as between the new clauses set out in this bill and the sections of the act mentioned by the minister.

I was interested in his criticism of the proposed amendment. The minister referred to the words in paragraph (b) (i) as follows:

> Such assessment shall not thereafter be subject to be re-opened or varied.

The bill does not take account of the possibility of a reassessment having been made after the first assessment but within a three-year period. I would refer the minister to the provisions of subclause (b) of the proposed new clause 4, which reads:

> After the expiry of 3 years from the day of the original assessment, and subject only to the provisions of subparagraph (i) of paragraph (a) of this subsection,—

Subparagraph (i) of paragraph (a) gives the minister the right to insist on an investigation in the event of wilful misrepresentation or fraud at any time after three years, notwithstanding whether reassessments have been made or not. That situation is protected by the use of the words "subject only to the provisions of subparagraph (i) of paragraph (a)".

Then the minister said that the language with respect to the final nature of the assessment was stronger than the language of the present section 46 in that it would now be necessary for the department to allege fraud or wilful misrepresentation if it wanted to reopen after three years. That result does follow from the language of my bill and it is a result which I deliberately sought to accomplish in wording the bill. Let me point out in answer to the many objections raised by the two ministers that if the three-year limit from the original assessment was adapted it would still give the department virtually four years to carry out its investigations.

The original assessment, whilst it is provided in section 46 that it must be made with all due dispatch, is nevertheless not made usually for some months and in some cases going on for a year after the filing of the return. By the proposed bill there is a further three-year period from that time, within which they may carry on investigations, so that in effect they are given from 3½ to 4 years to carry on investigations and make reassessments if there is found to be any irregularity. That should be, in my submission, ample time, so that one is justified in providing that, after that time has expired, then the assessment can be reopened or varied only if the department is prepared to allege fraud or deliberate misrepresentation.

In my view, as I said in introducing the bill, and I repeat now, I am not seeking to protect the dishonest or fraudulent taxpayer. The necessity of the allegation of fraud or misrepresentation after there has been plenty of time to make an investigation, that is, 3½ to 4 years, would have a rather wholesome effect in that it would discourage the making of investigations which in many instances at the present time smack almost of persecution. I know it would be a serious allegation and I think it would give the department second thought before it instituted an investigation if it had to allege fraud or misrepresentation. I am not at all uncertain—in fact I am satisfied—that that would not be an unhealthy situation, because on the basis of the evidence now available it is our view that there are too many investigations too carelessly undertaken after the lapse of six or seven years, when the taxpayer has no possibility of producing the evidence that is required and, simply because he cannot prove his innocence, all the cards are in the hands of the department, and the innocent taxpayer is presumed to be guilty.

Sir, it is to correct that situation that I introduce the bill. Nothing said by the two ministers this afternoon has led me to believe that the principle should not be accepted, and I therefore recommend it for the verdict of the house.

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

YEAS

Messrs:

Aitken, Miss	Charlton
Balcer	Churchill
Barnett	Drew
Bennett, Miss	Dufresne
Blair	Fairclough, Mrs.
Bryce	Fleming
Cameron (Nanaimo)	Fulton
Casselman	Gagnon
Gillis	Nowlan
Goode	Pallett
Hamilton (Notre Dame de Grace)	Pearkes
Hamilton (York West)	Poulin
Hansell	Quelch
Herridge	Rea
Howe (Wellington-Huron)	Regier
Jones	Robinson (Bruce)
Knowles	Rowe
Leboe	Stanton
Lennard	Starr
Low	Stewart (Winnipeg North)
MacInnis	Thatcher
McBain	Trainor
McGregor	Tustin
Michener	White (Hastings-Frontenac)
Mitchell (London)	Wylie
Monteith	Yuill
Murphy (Lambton West)	Zaplitny—55.
Nesbitt	

NAYS

Messrs:

Anderson	Howe (Port Arthur)
Applewhaite	Hunter
Ashbourne	James
Batten	Jutras
Benidickson	Kickham
Bennett	LaCroix
Blanchette	Lafontaine
Boisvert	Leduc (Jacques Cartier-Lasalle)
Bonnier	Leduc (Verdun)
Bourget	Lefrançois
Bourque	Lesage
Breton	MacNaught
Brisson	Macnaughton
Brown (Brantford)	McCann
Brown (Essex West)	McIlraith
Buchanan	McIvor
Cameron (High Park)	McMillan
Campney	Marler
Cannon	Masse
Caron	Matheson
Carrick	Menard
Carter	Meunier
Cauchon	Michaud
Cavers	Philpott
Cloutier	Pickersgill
Crestohl	Pommer
Denis	Power (St. John's West)
Deslieres	Prudham
Dickey	Ratelle
Dumas	Richard (St. Maurice-Lafleche)
Eyre	Richardson
Fairey	Robertson
Forgie	Robinson (Simcoe East)
Fraser (St. John's East)	Schneider
Gauthier (Lake St. John)	Simmons
Gauthier (Nickel Belt)	Smith (York North)
Gauthier (Portneuf)	Stick
Gingras	Stuart (Charlotte)
Gour (Russell)	Thibault
Gourd (Chapleau)	Villeneuve
Gregg	Weaver
Habel	Weir
Harris	Weselak
Healy	White (Waterloo South)—91.
Hellyer	
Henderson	
Houck	

THE ROYAL ASSENT

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

The Royal Assent

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act for the relief of Marcel Alban St. Amour.
An act for the relief of Grace Elizabeth Browning MacDonald.
An act for the relief of Mary Carol Devone Henry Scott.
An act for the relief of Stanley Mira Levene, otherwise known as Stanley Mira Francis.
An act for the relief of Alice Isabel Christian Thompson.
An act for the relief of Czarna Landzman Desmarais.
An act for the relief of Real Perras.
An act for the relief of Andrea Marietta Hiekisch Farago.
An act for the relief of Barbara Mary Elliott Priestley.
An act for the relief of Nancy Elizabeth Theresa Butler Waugh.
An act for the relief of Robert James Clarke.
An act for the relief of Veronica Rose Latter Haworth Robinson.
An act for the relief of Billie Mae Margaret Taylor Dennis.
An act for the relief of Naida Donnithorne St. James.
An act for the relief of Alma Elizabeth Mackie Wahlberg.
An act for the relief of William Maguire.
An act for the relief of Anne Perley-Robertson McNicoll.
An act for the relief of Colette Palardy Loranger.
An act for the relief of Esther Kathleen Hamilton Williamson Maynard.
An act for the relief of Helga Maria Berger Pilgrim.
An act for the relief of Ruth Carol Friedman Allen.
An act for the relief of Joseph Thomas Evans.
An act for the relief of Marie Jacqueline Carmen Van Troyen Morin.
An act for the relief of Hazel Wilhelmina Langtry Kimpton.
An act for the relief of Sergei Vermala.
An act for the relief of Stanley Tom Wood.
An act for the relief of Amelia Alice Stefani Schofield.
An act for the relief of Bridget Rowley McHale Bowman.
An act for the relief of Shirley Susan Morris Duggan.
An act for the relief of Maureen Evelyn Allison Cooper.
An act for the relief of William Windsor Frewen.
An act for the relief of Ethel Hansen Echlin.
An act for the relief of Muriel Doreen Southall Fisher.
An act for the relief of Paulette Lavallee Plotkin.
An act for the relief of Peter Butler.
An act for the relief of Ivy Umilta Gooding Joseph.
An act for the relief of Margaret Lash Johnston.
An act for the relief of Ethel Simon Baroff.
An act for the relief of Golda Cohen Winter.
An act for the relief of Henriette Lessard Hughes.

[Mr. Fulton.]

An act for the relief of Ewart Ernest Clouston.
An act for the relief of Mary Ethel Irving Buchanan Simcox.
An act for the relief of Constance Catherine Mary Pilon Milmine.
An act for the relief of Joseph Henri Maurice Messier.
An act for the relief of Mildred Helena Seale Darker.
An act for the relief of Robert Alfred Price.
An act for the relief of Alfred Sevigny.
An act to incorporate La Paix General Insurance Company of Canada.
An act to incorporate the Canadian Provincial Insurance Company.
An act to incorporate Grand Falls Central Railway Company Limited.
An act respecting the Maritime Stock Breeders' Association.
An act to amend the Live Stock and Live Stock Products Act.
An act to amend the Tariff Board Act.
An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. W. E. Harris (Minister of Finance) moved the second reading of Bill No. 415, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System during the calendar year 1956, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Mr. Churchill: Mr. Speaker, is the Minister of Finance going to conduct the bill at this stage, or is his assistant?

Mr. Harris: Well, Mr. Speaker, it was not my intention to say anything at this stage. I thought we covered the main points yesterday and my parliamentary assistant felt the same.

Mr. John B. Hamilton (York West): Mr. Speaker, I do not intend to take long tonight in connection with the second reading of this bill since I spoke only yesterday at the resolution stage. I think however I might refer again to the fact that this bill, which provides for the money to be available for the Canadian National Railways for capital expenditures during the current year, and also covers a sufficient amount to take care of the same type of expenditure for Trans-Canada Airlines, is the usual type of bill. But at the

same time it seems to me we might seriously devote a little more attention to the problem of the railway's financing, because if we do not look at these expenditures as we go along it may be possible the formula which was put into effect in 1952 covering the capital outstanding at that time might again be placed in jeopardy.

The president of the railway was very fair in giving the sessional committee on railways and shipping the benefit of his experience in connection with these financing problems. I think it is well to remember that Mr. Gordon is a man with a vast banking and financial background. I think he has brought to the railway that wide experience, and we should pay considerable attention to what he says in connection with the financial position of the railway.

I would like to read to you, if I may, some of Mr. Gordon's words as reported at page 261 of the minutes of the committee dealing with the very crucial problem concerning the ability of the railway to continue to carry the carrying charges on the outstanding capital and at the same time to meet its operating expenses. This is what Mr. Gordon said:

> But two questions have to be met. One is that this apparently satisfactory result has been due in large measure to the high returns which we obtained from our capital expenditure on the dieselization program. In the early stages of dieselization those savings were at their maximum because we deliberately selected those services which would give us the biggest return. We have now entered upon the stage where though the whole program is still based on economic considerations the amount of return will be subject to the law of diminishing returns. I can say therefore that we are just at the point of having to worry about our ability to keep ourselves in that position, and one of the most difficult problems confronting the Canadian National management is to ensure that the economic benefits which are scheduled to accrue in connection with this capital expenditure—

I might say that is the capital expenditure we are talking about voting here tonight.

> —are not diverted into meeting steadily increasing current costs, the most important of which are wages and materials. If we find that the savings which we get from these capital expenditures have to be used to meet rising current costs they will not be available to prove the point I am making. If we cannot increase current revenues and get them adjusted to offset the effect of current cost increases the net result would be a growing inability to provide any return whatever on our equity investment and make it increasingly difficult to service the outstanding debt out of our earnings.

And then on the next page, Mr. Speaker, Mr. Gordon referred to the fact that the amount of money which was being spent was on expenditures which he deemed prudent.

Mr. Benidickson: What page, please?

Mr. Hamilton (York West): Page 262. This is what Mr. Gordon said:

> Up to this moment I can defend all this expenditure as being prudent expenditure earning its keep, and if we can maintain our current costs in proper relation to current revenues this property will stand on its own feet and it will be able to show a profit though perhaps never to the point where we shall fully service our equity capital to the extent it should be—but at least providing a reasonable return on equity capital.

This is getting back to the position I discussed very briefly yesterday. Capital expenditures themselves require a certain fixed sum to be made annually by the railway to meet the carrying charges on the same. The president of the railway has said that these are prudent expenditures. The expenditure of these moneys will show a return sufficient to carry the outlay made, but if the railway finds itself in the position, in connection with its current operations, where it has to cut down to the point where it cannot make sufficient money to take care of that fixed amount, then of course we are going to find ourselves back in the same position we were in several years ago when the government had to put up the money to meet the carrying charges on the guaranteed bonds.

I suggest, sir, that perhaps we have to take a different outlook in this connection. Perhaps we will have to arrive at a new formula. If these expenditures are prudent, as the management of the railway believes they are, then there is a fixed amount which must be set aside as the amount which must be earned annually out of those prudent expenditures to take care of the carrying charges on them.

If it is apparent in the other half of the formula that the current revenues are not in a position to do that job and meet the current operating expenses, then I think we have reached a stage where the railway must be given more freedom in order to carry out its operations. It must not be left in the position where it is always between the squeeze on the one hand of keeping certain of its expenditures down, the squeeze of keeping its charges down, and at the other extreme facing the annual demand for increasing wages.

As I said previously, I do not think labour is very happy with this situation because they feel there has been placed on top of the whole operation a blanket type of control, and when they move into negotiations they are not moving into unfettered negotiations and there is a ceiling put on their aspirations. They are not going to be happy, I believe, until they see management in a position to meet their legitimate demands and at the same time plot the course for the railway

without a continual reference year after year to a board of some kind to see exactly where they stand.

I am not suggesting tonight the board has to be removed. I simply say that we should be plotting a course to put in management's hands more of the ability to meet every-day competition and to plot its own future without being hamstrung at every turn.

In connection with this situation I think it is advisable for us to move along that line in any case. It seems to me, once we have determined that there should be an operation of a company by the public and once we have provided for the public corporation to do the job, it is our duty to see that the company has the tools with which to carry out the job.

I think one of the things we should be making a point of is that we do not snipe continually year after year at some type of operation such as this. We should give them the tools to do the job and as long as they are not coming back and calling on us to meet recurring types of operating deficits—they have some excuse if they do not have the freedom they need—but as long as they are not doing that, I do not think we should be bothering them at every turn in connection with their policies.

In connection with this legislation I notice that Trans-Canada Air Lines is mentioned. It seems to me that we are moving to the point where even with government corporations there can be a conflict of interests and I submit that these two corporations should be separated. As far as I can see there seems to be no particular reason why the capital expenditures of Trans-Canada Air Lines should be intermingled with legislation dealing with Canadian National Railways.

As a matter of fact, I am a little confused as to who is responsible for this type of legislation. I notice that questions having to do with Canadian National Railways are answered by the Minister of Transport (Mr. Marler), but when legislation deals with the financing of Canadian National Railways it is handled by the Minister of Finance (Mr. Harris), and then when Trans-Canada Air Lines enters the picture the Minister of Trade and Commerce (Mr. Howe) squeezes in. There is certainly confusion in connection with this type of legislation and I think it is time that the two corporations should be separated before a real conflict of interests arises.

I might suggest also that it is about time the Minister of Trade and Commerce, who has a big pipe-line job on his hands, should divest himself of T.C.A. and let it come back where it should be, to the Minister of Transport. The minister has several jobs and it might be a good thing if he were to divest himself of eight or nine of them. Then perhaps the Prime Minister (Mr. St. Laurent) might resign six months earlier and let the minister finish his career as Prime Minister, a job which he seems to be carrying out anyway.

Mr. McIvor: May I ask the hon. member a question. Has the Minister of Trade and Commerce not made a success of anything he has taken hold of? Why quit it?

Mr. Fleming: Like wrecking parliament. He made a great success of operating the steamroller.

Mr. Hamilton (York West): I am suggesting that we might let him be Prime Minister for six months, which should be an adequate reward for any service he has rendered.

I notice that we are carrying on the same process of guaranteeing the bonds of this corporation. I should like to see a hands-off attitude adopted toward the corporation so it might be in position to carry out its job properly without interference. I wonder if it has ever been suggested that future issues of the securities of this corporation be made without a government guarantee. Perhaps the government guarantee goes with the securities of any government corporation—I am not sure of that—but I am thinking specifically of the requests which are made at various times for the construction of branch lines in different parts of the country. There seems to be a need for these branch lines which is brought out in the committee and it is indicated that they are likely to be a good business proposition. Instead of lumping all the securities together, as we do today, would it not be possible at some stage to say, "Here is a good business proposition; this community needs this line and the evidence is that it can make money; we are prepared to go ahead with this and issue debentures, mortgage bonds or whatever is necessary to put out and let it stand on its own; let us see if we cannot make new financing as we go along possible without this over-all guarantee".

I mentioned this in the examination of Mr. Fairweather, the vice-president, and he indicated that it had never been contemplated. The thing that worried me was that it had never been contemplated as far as the bookkeeping system was concerned. As I understand it, it is impossible to bring figures to indicate that any particular segment of the line is a paying proposition while another segment is losing money because everything is lumped together. He could not say, "This particular area pays and it would be a good investment, while another area does or does not pay. It seems to me that these are

things we should think about annually in connection with this legislation, because I understand it comes before this house each year.

We heard complaints today, in connection with the previous bill, that it had been placed in our hands just before we came into the house. The Minister of Finance was quite right in saying that he indicated yesterday that if the notice proved to be too short he was quite prepared to allow the legislation to stand over. I remember distinctly his having said that. He mentioned also something about the bill having to have a date on it, and I understood it was difficult to have it printed with the date on it and distributed in time for consideration. If that is the case, I would make the suggestion that bills such as this one and the one we had earlier should be circulated in draft form without a date and then there would be no question of our having to come to the house with only one or two days' notice.

Mr. Benidickson: A date plus a consecutive number.

Mr. Hamilton (York West): That does not change my suggestion that if the bills were distributed in draft form we could have them much earlier. In this particular instance, with the pipe line debate intervening, we could have had a draft bill several months ago and really studied it before we were asked to discuss the various clauses.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there is just a brief word I should like to say about the form of this bill. There are many matters in relation to the Canadian National Railways in which I am interested, but they are not covered particularly by this bill and I shall not try to drag them in by their heels.

There is something about the form of this bill which reminds me of the other bill we had this afternoon; that is, it combines subject matters which for many years were dealt with in two separate bills. I must not break the rule by referring to the clauses but there is no law against Your Honour looking at the bill which you have in your hand and noticing that the last clause deals with a subject matter which for many years was covered by a completely separate bill.

As I say, this afternoon we had a bill which amended two different acts of the parliament of Canada. I wonder sometimes just how far this practice can be carried. I recognize that it is much more convenient for the government to reduce the number of bills it has to bring before parliament. If it could go on combining bills into one it might do something about the length of the session and something about the problems which this government has in facing parliament.

Frankly I see no reason why the Minister of National Defence (Mr. Campney) should be allowed to put all of his bills for the session into one bill; I see no reason why the Minister of Finance (Mr. Harris) should be permitted to put in one bill what used to be in one bill introduced by the Minister of Finance and in another bill introduced by the Minister of Transport (Mr. Marler), unless the same privilege is to be extended to the other ministers. I certainly hope it will not be done, for I checked and discovered that so far this session the Minister of Transport has presented five different bills, the Minister of Finance has presented six or seven different bills, the Minister of Public Works has given us three, and the Minister of Trade and Commerce has given us at least three bills. So I might go on with the rest of the ministers.

The excuse given this afternoon by the Minister of National Defence was that it was a matter of convenience to have all the national defence legislation for a year in one bill. I am sure, too, it is a matter of convenience to the Minister of Finance to be able to do this, but I suggest that if that can be done there is nothing to stop each minister in the cabinet from putting all his legislation for the year into one bill and saying, "This is my department's legislation for the year." Maybe it is carrying it to the point of absurdity, but we have seen this government do absurd things, to say that after a few years of that kind of practice the Prime Minister might bring before us one bill containing all the legislation for the session.

Mr. McIvor: Hear, hear.

Mr. Knowles: My hon. friend from Fort William says "hear, hear." I have no doubt that would be a pleasant way for him, as far as the business of parliament is concerned, but I am sure it is hardly the way to do things. I recognize that it may be argued by the Minister of Finance that this provision for the appointment of auditors which is contained in this bill is relevant to the affairs of the Canadian National Railways. I reply that it is not covered in the title of the bill. Previously, when we had a separate bill for the appointment of auditors for the national railways, that separate bill was so identified. But I suggest in all seriousness that the argument of convenience which was given to us this afternoon by the Minister of National Defence for putting all his bills into one, and now the practice that is developing in this case of combining two bills into one, is a course that should not be carried too far.

Bills that are distinctly separate matters, that should stand on their own feet before parliament, I suggest, should continue to be dealt with as separate bills. In this case I feel that the appointment of the auditors of the Canadian National Railways should have been kept in a separate bill. I would say at the same time that it is still our view that that work should be done by the Auditor General rather than by a private firm, but my main point in rising is to protest this practice of telescoping numbers of bills into single bills, two examples of which we have had today.

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I would like to avail myself of the opportunity offered by the bill now before the house to make a few remarks.

Once more I ask the government for something which I have been requesting time and again in the nearly three years I have been sitting in this house. When we are called upon to vote more than $200 million to provide certain improvements for the Canadian National Railways, I would ask the government again to provide the city of Quebec with an additional railway station.

It is a well known fact, especially to the hon. members who are from Quebec city or from the surrounding area, that at the existing station there is a traffic congestion which delays passengers each time a train comes in. I have already asked that consideration be given to the possibility of building at the entrance to the city of Quebec, more exactly at the foot of the hill called Saint-Sacrement boulevard, another station which would serve approximately 100,000 people. This would only mean a five minutes delay in the arrival time of the train and it would accommodate thousands of travellers arriving at Quebec. It would also help to relieve the traffic congestion around the present Palais station.

This request, Mr. Speaker, seems very legitimate. It is necessary to the progress and advancement of the old capital. I do hope—and I feel that in speaking in this way I am accurately expressing the feelings of most of the people of Quebec city—that the government will see fit to grant this request and to construct, at the foot of Saint-Sacrement boulevard, the station I have already asked for and for which I am once more asking today.

I should also like to avail myself of this opportunity to ask the government to bring pressure to bear on the authorities of the Canadian National Railways so that they hasten to settle the matter of the lots surrounding the station. These lots are to be used for the construction, in the near future I hope, of the new postal terminal for Quebec city. I know that, for nearly two months, the civic authorities of Quebec have been negotiating with the management of the Canadian National Railways. I hope that those negotiations will be successful and that there will be no delay in the exchange of these lots required for the construction of that terminal eagerly awaited by the city of Quebec and which will provide jobs for a fairly large number of people who are still unemployed.

In the same line of thought, I should also like to draw the attention of the government to some news items which appeared in Montreal and Quebec newspapers to the effect that, especially in Montreal, the authorities of the Canadian National Railways did not observe the Lord's Day Act.

It is not necessarily a matter of preventing trains from running on Sunday, nor am I suggesting that those who operate them stop working. However, I insist, as was stressed in the articles published in the press, on the fact that it is in no way urgent that Canadian National employees load and unload freight cars on Sundays.

There is a Lord's Day Observance Act in the province of Quebec, and I hope that the management of the Canadian National—

Mr. Richard (St. Maurice-Lafleche): They allow transport of alcoholic beverages on Sunday; they allow liquors to be served on Sunday.

Mr. Dufresne: That has little to do with the Canadian National.

Mr. Richard (St. Maurice-Lafleche): Talk about working on Sunday.

Mr. Dufresne: It seems to me that the hon. gentleman could have dispensed with so irrelevant a remark.

I therefore urge the management of the Canadian National, Mr. Speaker, to respect the Lord's Day Act. That is one of the main reasons for my intervention tonight, and I hope that the government will set an example by taking the appropriate steps to ensure compliance with this Quebec law, which demands of everyone to observe the Lord's day.

As to my hon. friend who has just mentioned the Sunday sale of liquor, it is unfortunate, but I imagine that, if ever the Liberal party came to power in the province

of Quebec, I mean in 25 or 30 years from now perhaps, this situation would go on just the same as it does now.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, I wish to say a few words in reply to the remarks just made by the hon. member for Quebec West (Mr. Dufresne).

In the first place, the first two points he raised have nothing whatever to do with this bill. It is a bill which concerns the financial aspect of the Canadian National Railways operations, and those first two points are therefore quite irrelevant.

The third point raised refers to the enforcing of the Lord's Day Act. I have no doubt that my learned friend is perfectly aware that the enforcement of that act is a provincial government responsibility. No step can be taken towards enforcing the Lord's Day Act without previous consent of the attorney general of the province in which such work is carried out.

I only wanted to call the attention of this house to these matters, and I believe I can leave it at that.

Mr. Dufresne: Mr. Speaker, if I may be allowed a further remark, I would say to the hon. member for Nicolet-Yamaska (Mr. Boisvert) that, from my seat tonight, I am asking the attorney general of the province of Quebec, who may not be aware of this violation of the Lord's Day Act by Canadian National Railways authorities, to be kind enough to investigate and have the law applied as it should be.

(Text):

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

Clauses 1 and 2 agreed to.

On clause 3—*Capital expenditures authorized.*

Mr. Stewart (Winnipeg North): What capital expenditure is envisaged on hotels, and is it the intention of the Canadian National to sell any of its present holdings of hotels?

Mr. Benidickson: The hon. member knows that certain hotels of the Canadian National system were sold a year or so ago. I have no knowledge of any other sales in contemplation. My hon. friend is referring to the capital expenditure of $9,035,000. The greater part of that, I think $8 million plus out of the $9 million, is the cost of the capital expenditures contemplated during the year 1956 for the new Queen Elizabeth hotel in Montreal.

Clause agreed to.

Clause 4 agreed to.

On clause 5—*Guarantee.*

Mr. Hamilton (York West): I am wondering whether any thought has ever been given to the issuing of securities against specific parts of newly constructed line.

Mr. Benidickson: I listened quite intently to the remarks of my hon. friend when speaking on second reading of the bill. I think that is very difficult for a crown corporation. I have in mind in the province to which he and I belong, Ontario, the expansion being carried out by Ontario hydro and I can contemplate that there would be considerable difficulty in providing financing for some of the important things that Ontario hydro is doing in my own area as distinct from the operation of the entire system.

Mr. Hamilton (York West): Has there ever been any thought given to the issuance of non-guaranteed securities as we replace outstanding securities? That takes place almost every year. There are securities which are redeemable and new securities are issued to provide funds to replace those securities. Has any thought been given at any time on a general basis to the issuance of non-guaranteed bonds or other type of securities?

Mr. Benidickson: I am not going to answer my friend directly with respect to whether any thought has been given to the matter, but I would remind him that it is obvious that the possible cost of financing would be greater without the guarantee. My hon. friend would recognize that certain specific projects might not go ahead if the cost were greater than under the original plan.

Mr. Hamilton (York West): Would that not, however, simply bring the issuance of those securities into line with the issuance of similar securities by a private corporation carrying on the same type of business, and would the cost not be the same?

Mr. Benidickson: I simply refer the hon. member again to the analogy that I suggested, Ontario hydro.

Mr. Hamilton (York West): I do not think that answers my question. In answering the previous question the parliamentary assistant referred to the financing of a particular segment as being more difficult than if it were financed as part of the general plan, but what I am referring to now is the over-all financing and the issuance of securities. He has said that it would cost more if they were not

guaranteed. My question is, would it cost any more than it would cost a private corporation in similar circumstances?

Mr. Benidickson: Well, Mr. Chairman, having been assistant to the Minister of Transport and in the last couple of years assistant to the Minister of Finance, I may say that I have had the responsibility of piloting this bill through the house on several occasions and this point has not been raised previously. I can assure my hon. friend that it will be looked into.

Clause agreed to.

Clauses 6 to 9 inclusive agreed to.

On clause 10—*Trans-Canada Air Lines.*

Mr. Hamilton (York West): Is there any logical reason for the continuation of the policy of carrying out the operation and the financing of the operation of Trans-Canada Air Lines by means of this act? Has any thought been given by the department to separate legislation for that purpose, and has there been any thought given to placing this back under the department where I suggest it should be, the Department of Transport?

Mr. Benidickson: Again, I listened very carefully to what my hon. friend said. I thought perhaps he had given too little attention to the preamble of the bill in which there is special emphasis on the fact that this bill is a financing bill. Parliament itself has enacted that Trans-Canada Air Lines shall be a completely owned subsidiary of Canadian National Railways.

Mr. Hamilton (York West): Here again I might make a suggestion. From what I can see we are asking the people of Canada to guarantee, by the issuance of certain securities through Canadian National, sufficient money to carry on the operations of Trans-Canada Air Lines. I think what we would like to see is Trans-Canada Air Lines carried on as a separate financial entity. Here again I should like to emphasize that with the record T.C.A. can achieve, if it has not already achieved it, that company could go out into the market and obtain its financing without, I am quite sure, the necessity of a guarantee by the government or the people of Canada. If it costs a little more to do it, again the company will simply be putting itself in the same position as any private corporation carrying on a similar type of work. I would say that here is an opportunity for us to detach ourselves from the annual job of setting up and approving this capital expenditure for Trans-Canada Air Lines through Canadian National Railways. It would be an opportunity, as a matter of fact, to ensure that less and less government interference took place in connection with the operation of that crown corporation. I would strongly suggest to the parliamentary assistant—because I feel I am on very firm ground—that as far as the operation of the air line is concerned, any financing could be obtained in the open market without having to be done in this manner.

Clause agreed to.

Clause 11 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENT TO EXTEND APPLICATION TO THE YEARS 1957 AND 1958

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the second reading of Bill No. 417, to amend the Emergency Gold Mining Assistance Act.

He said: Mr. Speaker, I have little to add at this time to what I said at the resolution stage. The gold mining industry continues to face difficult economic problems. The fluctuation of the exchange rates has resulted in a slightly higher return from the sale of gold. I believe the net returns per ounce during the past year or during 1955 was somewhere about 40 cents higher than in the previous year. There has been an improvement in the position of the mines or in many of the mines, I would say, because of increased capital investment in machinery and general improvement in efficiency. A few mines have improved their position because of higher grades of ore. However, the fact remains that many mines and their dependent communities still must rely on cost aid in order to survive. Approval of the proposed two-year extension of the provisions of the Emergency Gold Mining Assistance Act at this time will enable the mines to plan their operations for the next 2½ years with confidence and efficiency that would not be possible otherwise. It naturally follows that the more efficient is the operation of the mines, the less assistance will be required from the public treasury. That is why we are proposing the extension at this time.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, this is a very brief bill. It purports to add the word and figures "1957 and 1958" to the provisions of one of the clauses of the Emergency Gold Mining Assistance Act. This measure has been in effect now for eight years. The subsidy has been offered since 1948. In that period of time there have been various debates on measures to

extend the effect of the subsidy. In each case the measure has been supported by the house, and no new principle is involved in the present bill.

I think a word should be said on the matter of subsidies. I think that any subsidy requires some justification in normal times. There are dangers in subsidies. There are particular dangers in hidden subsidies. The subsidy we are dealing with here is not a hidden subsidy. This subsidy has been, from the outset, nothing more than a stop-gap, hand-to-mouth form of emergency assistance to the gold mining industry. It has never been a solution of the problems of that industry. When I say "hand-to-mouth", I am stressing particularly the fact that the measure has never been in effect at any one time for more than a couple of years. Hence the industry has not known very far in advance how long it could expect to receive this form of assistance.

There are justifications for this particular subsidy, far as it falls short of being anything like a solution of the problems of the industry. There are several grounds upon which, for lack of a proper solution, the subsidy can be justified. First of all, this is one commodity on which government sets the price. I do not say that the Canadian government has the absolute control of the setting of the price. Nevertheless, it is a commodity the price of which is definitely determined by government. In that respect it differs from almost any other commodity that is produced in Canada.

In the second place, there can be no question as to the need of the industry for some form of assistance in the absence of a proper solution of the whole problem. The plight of the gold mining industry in Canada is serious, as it has been for some years. It has been ground between the upper and nether millstones, the upper one being the set price, a ceiling on the price realized from the product, and the nether stone being the rising cost of production. Indeed, as the Canadian dollar has strengthened in terms of international exchange the position of the Canadian gold producers has deteriorated correspondingly.

It is not simply a matter, though, of the need of the industry as a producer of wealth. We are obliged to look more widely at the plight of those communities which are dependent on the gold mining industry, and there are many of them in Canada. The growth and prosperity of such communities on the one hand or their atrophy and depression on the other depend in effect on whether the ore bodies in the adjacent mines are to be operated and worked at a profit or not. When the margins are so narrow as they have been in the gold mining industry, a very slight difference in price can mean the difference between value for an ore body and literally no value at all in terms of workability.

The plight of the industry is not the fault of the industry. I do not think anyone in this house is going to question the fact that the industry has done its best, in the face of the difficulties that have confronted it, to keep itself on an efficient basis. The recent report of the Knox committee in Ontario as well as things that have been said in this house bear testimony to the fact that the industry has not been lacking in energy, enterprise and the desire to maintain all possible efficiency in production.

I have mentioned two factors, Mr. Speaker, that lend justification to the provision of a subsidy with respect to gold: The fact that the price is established by governments, and second, that the industry needs some form of assistance, otherwise it is going to close down further.

The third of these factors is the national interest. To an extent that some Canadians unhappily have forgotten, the gold mining industry in Canada has been one of the most effective contributing factors to the health of the Canadian economy. The search for gold has been an impelling factor in the development of great areas of Canada, not confined alone now to the extraction of gold but of other metals as well, both precious and base. In the depression years the gold mining industry stood out like a beacon light in the Canadian economy. Indeed, the prosperity of that industry in the days of the depression went far to sustain a weakened economy in Canada. In the war years the industry played a leading part, particularly in the early years of the war, again in the strengthening of the Canadian economy; and who can say that the day may not come when we shall again need the strengthening quality of the gold mining industry to help to lend support to the rest of the Canadian economy?

At any rate, this industry has an assured market for its product. It has an assured market for its product in the country where we most wish at the present time to sell some of our products. I refer to the United States. With that country in our commodity trade we are incurring a huge trading deficit. In 1955 that commodity trading deficit with the United States amounted to close to $1 billion, and in the first four months of this year it is evident that that commodity trading deficit with the United States is increasing. We have these figures from the dominion bureau of statistics. For the first four months of this

year, 1956, our imports from the United States amounted to $1,363 million. Our exports to the United States amounted to $860 million. Therefore, in these first four months of the present fiscal year, Mr. Speaker, we have incurred a deficit of $500 million on our commodity trading account with the United States.

In the face of that situation and particularly having regard to the historical strength of the gold mining industry and what it has meant to the health of the Canadian economy, I submit to this house that it would be extremely dangerous to the Canadian economy if we contemplated a serious decline in the gold mining industry. Apart from a few mines which are blessed with very high-grade ore, the fact is undeniable that without some form of assistance, lacking an adequate solution to the problem, mines will be closed and the industry will suffer a body blow under present conditions. There are also many communities in this country directly dependent upon the gold mining industry which would atrophy and decay.

We may remind ourselves that already the process of decay in the gold mining industry has gone far, even with the very limited form of assistance that has been available to the industry under the Emergency Gold Mining Assistance Act. There are today in operation only half of the producers that were in operation in the year 1941, which is just 15 years ago. Had growth been normal there would have been many additional mines added to the group of Canadian producers. Development work has been curtailed. No one is seeking to open up new gold mines today and half of those mines that were producing in 1941 have closed down in these intervening 15 years.

It is fair also, Mr. Speaker, that we should ask what this form of assistance has cost the treasury of this country. In the eight years that it has been in effect it has cost the treasury $90 million. The extent of this aid was greatly reduced in 1955 as compared with the previous year, 1954. That year, 1954, was the record in terms of assistance advanced to the gold mining industry, when $16·3 million was paid out of the treasury of this country to the industry under the terms of this legislation. In 1955 the total of assistance under the revised formula that was introduced at the time the legislation was before this house last was just $9·3 million, and it is estimated that if this measure is continued in effect for the remainder of 1956 and the years 1957 and 1958, as proposed in the present measure, the assistance in this year, 1956, will cost the public treasury $8·9 million, and in the year 1957, $8·6 million. The scale of assistance under the revised formula is moving steadily downward.

The purpose of this bill, sir, is to extend the effect of the legislation for two years. It is right and proper that this measure to extend the provisions of the act should be introduced now rather than that the industry should be left in doubt until the legislation would otherwise expire at the end of 1956. It is right and proper that it should be introduced now. Indeed, if it had been left until later, serious injury would be done to the industry because the mines must know in time to make their plans. Had it been the intention of the government to let this form of assistance expire at the end of 1956, or had the industry been left in doubt as to the plans of this government or as to the intention of the government with respect to it, then the plight of the industry would have been very serious, indeed.

I have emphasized, sir, that this measure is no solution of the deep-seated problem of the gold mining industry. The difficulty and the flaw in measures of this kind is that they often lull the government and lull parliament into thinking that the problem has been solved, or at least the problem has been met for the time being. No hon. member should delude himself into thinking that this measure is any solution, even on the short-run basis, of the needs and the problems of the gold-mining industry. These problems are going to require much more farsighted solutions than are offered by the hand-to-mouth, stop-gap type of assistance that we have in the present measure.

The importance of gold in the world has not receded in these recent years. There is not a country in all the world that does not want more gold. The heroic measures of austerity which the British government has found it necessary to impose upon the economy of that country have been designed to retain and recapture an increased quantity out of the world's store of gold. The possession of gold is a leading factor in the fiscal and trading policy of every country in the whole world.

Last year parliament approved some easing in the restrictions that theretofore had been applied in this country with respect to the holding of gold in private hands and the coinage of gold. But, Mr. Speaker, no one I am sure is going to pretend that these were anything more than very, very slight palliatives. These were no solution. What is required is something much more far-reaching. That leads me to say just a brief word about the relationship of this country and of this government with the International Monetary Fund.

It is evident that our engagements with the International Monetary Fund are such that the government has not a free hand to pursue the goal of an increased price for newly-mined gold apart from some permission on the part of the International Monetary Fund. I have been urging for years now that the government has the responsibility to Canada and to the gold mining industry to pursue with very much greater vigour and determination the need of a higher price for newly-mined Canadian gold. That, in the last analysis, is the only solution of the problem of the gold mining industry. An upward adjustment in price is overdue.

The government has been very chary in even acquainting the house with what it may have proposed at meetings of the board of governors of the International Monetary Fund. It has been like drawing teeth to try to extract any information from them as to what they have urged. We do know that South Africa with similar interests has been pressing its case very strongly before the International Monetary Fund for an increase in the price of newly-mined gold. This country, this house and the gold mining industry of this country are entitled to know what the Canadian government is doing in the same regard, and are entitled to expect vigour and determination on the part of the government and the exercise of the utmost ingenuity at meetings of the governing body of the International Monetary Fund in seeking some solution to this problem, which is not going to be solved apart from an upward adjustment in the price of newly-mined gold.

Finally, Mr. Speaker, we are entitled in this regard to ask the Canadian government for a statement of its own policy with reference to the holding of gold. What is the degree of confidence that the Canadian government is prepared to demonstrate in the future of gold—gold as a factor in our fiscal, trading and, indeed, all our economic relations? If the Canadian government wished to give some striking evidence of their belief in the future of gold to a country that is a substantial gold producer, and would be a much greater gold producer if a profitable market awaited it, it could give a striking demonstration of that confidence in the future of gold by making a bold declaration in regard to its own policy in reference to gold holdings.

In the budget papers tabled by the Minister of Finance (Mr. Harris) which are appended to the speech he delivered on the occasion of the introduction of his budget on March 20, we find in table 11 on page 24 the holdings of gold and of United States dollars of the exchange fund account and the Bank of Canada.

In 1952 gold holdings were $885 million; United States dollars $961·8 million. In 1953 gold holdings had increased to $986·1 million; United States dollars had decreased to $802 million. In 1954 gold holdings had increased to $1,072·7 million; holdings of United States dollars had increased to $833·4 million. In 1955 gold holdings had increased to $1,133·9 million; holdings of United States dollars had decreased to $692 million.

It is evident from even a quick perusal of those figures that our holdings of gold in Canada have increased slightly in each of the last four years. Our holdings of United States dollars have fluctuated year by year but at the end of that four-year period they were less than they were at the beginning of it. Figures are not available in detail for 1956, but what I have seen of government figures indicates there has been a decline in the holdings of gold in the exchange fund account and the Bank of Canada in the portion of this year that has expired.

It is for that reason, Mr. Speaker, that in the presence of the Minister of Finance as well as the Minister of Mines and Technical Surveys (Mr. Prudham) I urge this is a time when the Canadian government ought to be bold in declaring a policy with regard to the holding of gold in the exchange fund account and the Bank of Canada. Here again the government has been very chary about making any statement of policy.

I do remember that two and a half years ago when Mr. Abbott was minister of finance he did allow himself to say that as far as the holding of gold was concerned it was found to be somewhat unproductive. Well, there are wider considerations to be taken into account than those which impelled Mr. Abbott, when minister of finance, to take that position.

Having regard to the seriousness of the plight of the gold mining industry, having regard to the imperative necessity for finding a solution, having regard to the fact that any subsidy measure like the present one is at best only to be supported on the basis of an existing emergency, then I submit, Mr. Speaker, we must have a serious engagement on the part of the Canadian government to address itself to the problem and to bring forth a solution. The solution lies in part with such pressures as the Canadian government may be in a position to exercise upon the International Monetary Fund and also upon the United States government which is the principal buyer of newly-mined Canadian gold; and given those factors, we still ought to have from the Canadian government some statement of its own policy and position with

reference to the acquisition for government account of newly-mined Canadian gold.

Mr. Speaker, I have indicated there is no new principle in this bill. We have supported the measure, inadequate as it is, in the past. Having regard to the seriousness of the situation we must, of course, continue to support the provisions of this subsidy; but, sir, this is no excuse for postponing our search for the solution for which this industry and the national interest are crying today.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the hon. member for Eglinton (Mr. Fleming) has more or less dealt with the rarefied and to me somewhat mysterious atmosphere of international finance and gold supply and so on. My remarks will be directly related to the somewhat more earthy subject of the lives of the miners and the communities in which they live.

This group has supported the Emergency Gold Mining Assistance Act since it was first introduced in the house as a temporary legislative palliative that maintains employment and in so doing protects the livelihood of the miners and others concerned, their investments in their homes and their investments in their communities. However, Mr. Speaker, we are not certain that the legislation is being used to the best advantage of the miners and the others concerned and of the country as a whole. We think it is about time there was some consideration given to a possible amendment to the act to make it more flexible to meet a situation which is not only temporary but which appears to be somewhat like some positions in the government service—it is a permanent-temporary situation.

Until comparatively recently all mining operations, whether base metal or gold, generally speaking followed a similar wage policy throughout Canada. While rates varied somewhat from area to area, within a given area the wages were practically identical in all types of mining. I am informed that this was particularly true in Canada's two main gold mining camps, Kirkland Lake and Porcupine. In fact I am informed that their wage policies were identical and extended into the base metal mines in northwestern Quebec. I am informed also that this solid policy or front which extended to even having the same negotiators handle their dealings with the unions was broken down about a year ago when Noranda, a base metal producer at Noranda, Quebec, granted the 44-hour week and certain wage concessions. I presume the reason for that change was the rise in the price of copper from 36 cents to 46 cents in a little more than a year and the development of the uranium mines in the Blind River area.

I understand that at that time the Ontario and Quebec mining operators were faced with a labour shortage. I am informed also that hundreds of miners left the Kirkland Lake area and the Timmins area last fall and winter for the base metal and uranium mines because of the higher wage scales and better employment advantages. As a matter of fact, regardless of the beneficial effects of the act, it has not been completely effective in preventing a lessening of the population in those two important areas.

The gold mining operators under that situation were faced with two alternatives. First, the prosperous gold mines could raise their rates to compete with the base metal and uranium mines for labour which would have provided a somewhat realistic view of the prosperity of the gold mining industry. Second, they could join together with the marginal mines and present the gold mining operators' version of a solid wage scale front on behalf of the operators concerned.

As I understand it, the gold mining operators chose a combination of these two alternatives. They introduced the 44-hour week without making any wage concessions. They thus left themselves considerably behind the base metal and uranium mines in regard to rates. Apparently they had hoped that the fact that most of their miners had an investment in their homes would force them to forgo the higher rates of pay available elsewhere in the mining industry. That was their first proposal.

The second part of their plan provided for the tapping of a labour supply willing to accept rates of pay averaging up to 50 cents an hour less than those paid in the base metal and uranium mines. Obviously no such labour supply was available in Canada, or indeed anywhere else where people knew the score so far as employment in the mining industry was concerned. I am informed that about three months ago the gold mining companies sent representatives to Europe to import necessary miners to work under those conditions. I have also been reliably informed that one of the men who went to Europe was Mr. William Ramsay, the manager of the unemployment insurance commission at Kirkland Lake.

On this account the gold mines are now being operated with older miners. I am told that the average age of miners in the gold mining industry in Kirkland Lake is now in excess of 40 years. These miners are held captive by their investment in homes and by the fact that mining operators will not hire men over 40 years of age. I understand it is the intention of these mines to operate with these men, in some cases plus labour imported

from Europe which is willing to work for the lower wage scales provided in the unorganized mines. I understand it is difficult to organize some of these submarginal gold mines because the union cannot offer the men very much in the way of hope for better wage scales and working conditions.

I suggest that the time has come to consider the present distinction between base metal mines and gold mines as being artificial. In our opinion it should be somewhat along the line of profitable and non-profitable mines. I must admit that I am not aware of the details of conditions in northern Ontario, although I am completely at home in the southeastern portion of British Columbia and understand mining conditions there, but I have received my information from what I consider to be most responsible and reliable sources. I understand that there is a large iron prospect at Boston Creek in the Kirkland Lake area which is undeveloped. I wonder whether the government has given consideration to amending this act to provide more flexibility in its administration and purposes and to permit assistance to such developments, either by way of loan or by way of the form of assistance now provided by the act.

In our opinion this act can be effectively administered only as a result of co-operation and a study of the situation in total in the mining industry by the Department of Finance, the Department of Labour and the Department of Citizenship and Immigration. We in this group are firmly of the opinion that the time has come for a co-ordinated approach to this problem by the three departments I have mentioned. We think that is very necessary. We should give consideration to making the act more flexible and more realistic in order to meet a situation which apparently is at least temporary-permanent or permanent-temporary, whichever way you like to put it, and thus be able to deal more effectively with the conditions faced by the miners and the communities concerned.

Before concluding I wish to ask the minister a number of questions which I would appreciate his answering when we reach the committee stage. My first question is this: Is Mr. William Ramsay, who has gone to Europe to recruit labour for the mining industry, still an employee of the federal Department of Labour? My second question is this: Is it the government's policy to continue emergency gold mining assistance to certain mines especially in view of the fact that a labour force made up of young, single immigrants will have almost the same effect on those communities and their property values as would the closing of the mines? These immigrants may be willing to work for these substandard wages, but the purpose of the act is to maintain the communities and the standards of the employees concerned. The effect of the employment of these single immigrants on these communities will be almost identical with that which would follow the closing down of the mines.

These men will live in bunk houses and will only be temporary residents. As soon as they know the score and become aware of Canadian conditions in general they will do the same as did a good many others who came here to work on the farms; they will disappear to more lucrative areas. They live in bunk houses or rent rooms and as temporary residents they will not be purchasing property, nor be investing in the community and, as I said before, will not do anything to stabilize the communities or assure their permanency.

My next question is: what is the attitude of the Department of Citizenship and Immigration to the mass importation of European labour to work in marginal gold mines under the circumstances that I have outlined, and what co-operation has the department extended to the gold mining operators who are seeking this immigration from Europe to carry out the work in the gold mines? That question is of considerable interest to a good number of persons who work in the mining industry in northern Ontario.

My last question is: has the government given any thought to forcing mining operators receiving emergency gold mining assistance to hire over-age miners in their own communities when the mines they are working in close down?

Here is the situation that exists. Canadian miners that have been employed in the mining industry all their lives have an average age of over 40 years. If it happens that the mine in which they are working closes down, because the other mining operators would not employ miners over 40 years of age—and I think that is related to pension plans and things of that sort—then these good Canadian citizens find themselves out of employment, with their investment in homes and so on in the mining community concerned, while at the same time immigrants are brought in from Europe to take the employment that they otherwise could obtain. We think it would be a wise policy on the part of the government to insist that the mining operators who are accepting gold mining assistance give employment to these miners even though they are over 40 years of age, by some special arrangement.

We think it is most unfortunate that these good Canadian miners should be out of employment and the vacancies taken by miners being brought into this country under these

conditions. We are not opposed to planned immigration and the location of immigrants according to proper circumstances and conditions, but I for one am very much opposed to bringing in immigrants from Europe to take the positions that are vacant while under certain circumstances Canadian citizens are unemployed.

Mr. Prudham: Will the hon. member permit a question at this time?

Mr. Herridge: Certainly.

Mr. Prudham: Do you actually know of instances where that has taken place?

Mr. Herridge: As I said before, I do not know from personal experience but I have had the information given to me on good authority and I shall be only too pleased to look up my file and give the information to the minister.

That is a serious situation. I am very pleased to see that the Minister of Citizenship and Immigration is now listening to what I have to say because I am sure he is interested in this question. That is why we say that the time has come for much closer co-ordination between the Department of Finance, the Department of Labour and the Department of Citizenship and Immigration in relation to the satisfactory administration of the Emergency Gold Mining Assistance Act. I make those few brief suggestions and ask those questions of the minister. I shall look forward to his answers to the questions when we reach the committee stage.

Mr. Roland Michener (St. Paul's): This short bill No. 417 simply extends for two years more the bill that was introduced last year. As has been pointed out, there is no change in principle nor in application of the emergency gold mining assistance to the problem of the gold mining communities.

Last year, as reported at pages 2177 to 2184 of *Hansard*, I dealt at very considerable length with the economics of the gold mining industry and all the social consequences of the problems of that industry and the gold mining communities and the miners and citizens who live and have lived there, many of them for a generation or more, and are firmly established there, in considering the proposal that was then before the house in regard to reducing the assistance to be paid. I consider that no good purpose would be served in repeating what was said there, as it is readily available in *Hansard* for anyone who wishes to reconsider the problem with which we were faced a year ago.

I urged at that time that the government reconsider its proposal to reduce the amount of emergency gold mining assistance, but the government proceeded with its program. The minister expected that there would be a reduction in the over-all payment of assistance from $16 million in 1954—in fact it turned out to be about $16,300,000 in 1954—to $11 million in 1955. Now, in introducing this extension of the policy, the minister is able to tell us that in fact the total payment in 1955 will be in the neighbourhood of $9,300,000, about $1,700,000 less than he estimated when he introduced this policy to the house a year ago, so that in effect the reduction in payment to the gold mining industry is from $16,300,000 to $9,300,000 in one year, with anticipated further reductions over the next three years of the life of this program. That is a reduction of 43 per cent, and it is a very considerable and substantial reduction.

How the government justified the reduction which was made last year was more than I could see from anything that was said, except on the ground of saving an immediate outlay of funds. I endeavoured to show the importance of the industry at that time, with its 18,500 workers, its great communities, well established permanent communities, many of them based entirely on the gold industry, with no possible alternative means of support. In that connection I suggest to the hon. member for Kootenay West (Mr. Herridge) that it would be desirable for him to visit some of these communities because his idea of what they are is somewhat removed from the facts as found in the gold mining report made by the committee in Ontario, at least the facts as they apply in the province of Ontario, of which I believe he was speaking.

I commend this report to the members of the house. It has been mentioned already by the hon. member for Timiskaming (Mrs. Shipley). It was the report of a committee of inquiry into the economics of the gold mining industry in 1955, under the chairmanship of Professor F. A. Knox of Queen's University, and with a very competent committee supporting him. An interim report was made last year, and the final report this year. It is interesting to note the composition of the mining group in the Ontario camps. I think the Porcupine camp is the largest and probably the most representative. In that camp, according to the table on page 83 of the report, there were 6,135 men who were reported for the purposes of this committee, and the number of Canadian-born were 3,556. That is a little more than half. Of these, 942 were French speaking and 2,614 were English speaking. Then I come to those who came from abroad, and here is where the hon. member for Kootenay West (Mr. Herridge) would be interested from the point of view of verifying the statements which he was making on

"very good" authority. Those from the British Isles numbered 598 while those from east and south Europe numbered 1,728 which shows that the miners who are there are about half newcomers and about half Canadian born.

Even more interesting are the figures on recent arrivals. Immigrants into that camp since 1945 numbered only 452, of those who reported, less than 10 per cent, and since 1950 there have been only 305. That does not show any great change in the composition of the miners in the camps. The ages were also the subject of a study made by the same committee, and I think members might be interested in the ages of the miners in the Porcupine camp because after all this assistance is a guarantee that these men will be able to continue to work in the jobs they have known and where their homes are, where their children go to school and where they expect to live their entire lives.

Under 19 years of age there were only 185. From 20 to 24 years there were 1,053, from 25 to 34 years there were 3,064 and from 35 to 44 years 2,801. That is about the breaking point that the hon. member for Kootenay West suggested. Up to that point we cover substantially more than half of the miners. From 45 to 54 there are only 2,451, and in the group from 55 to 59 there are only 798. That is by way of a description of these communities and the consideration of the social consequences of this legislation.

Apart from the industry itself, gold is of great importance in our economy. It has a permanent value, and I do not need to repeat what I have said before and what has been said by others on that score. The Ontario report at page 67 may be some authority for the relative importance of gold, the continuing importance of gold, and I will read one paragraph which illustrates the point to which the hon. member for Eglinton (Mr. Fleming) drew attention earlier.

> During the depression of the 1930's gold exports were of considerable importance in our balance of payments. In the two years 1935-37, for instance, gold exports averaged 14·5 per cent of our total merchandise exports, the average gold export being $132 million and merchandise exports $909 million. In the first two years of the second world war, before other methods were devised to finance essential war imports from the United States, the Canadian government urged all-out gold production from the mines.

It is not likely that proportion will return but that illustrates the great role that gold played, as anyone who lived through that period, particularly in Ontario, knows, in maintaining the stability of the economy.

Then, the place of gold as a monetary reserve is, I submit, a basic consideration in support of an advanced policy of assistance. The gold reserves must be placed opposite the inflow of capital because the capital which comes into Canada, which we all welcome, and which is playing such a part in the building up of our resources, is all exportable again. As I pointed out last year, in the period of emergency gold mining assistance $3 billion in new capital had come into Canada in the same period all of which, if it were demanded, would have to be paid back. In consequence the establishment of a substantial reserve in an acceptable form of money, namely, gold, is the necessary counterpart of our policy of permitting the free investment of foreign capital in Canada.

In addition, gold mining is not simply an industry to itself. As the minister has recognized, gold mining has led to some of the forms of mining which are now more profitable such as the base metal mining which is being carried on today to an ever-increasing degree. It was gold that gave the boost which started hard rock mining in this country and exploration for base metals. Gold mines have played a very substantial part in financing base metal mines and have supplied the engineers, the technique, the capital, everything necessary for the great expansion in the base metal industry. They have played and are playing an important part not only in the production of gold but in the mineral development of Canada.

What has been the effect of the policy which the minister introduced a year ago? His own statement indicates that the industry is a failing industry, and I think that is the most important consideration before the house in determining whether this policy should be renewed just as it is or whether the assistance ought to be increased, as was urged last year. It is a failing industry. It is true that total ounces produced last year were slightly greater than the year before and to that extent there is cause for satisfaction, but that production is at the expense of the future. The minister admits that five of the lode mines, as opposed to placer mines, have suspended operations in the course of the year. One was absorbed by the parent company and one new mine was opened. The net loss is five of the lode mines out of a total of about 54, I believe, which are receiving assistance.

The minister, to use his own words, says that other gold mines are in a life and death struggle for existence. That does not indicate a very healthy industry to anyone who has heard him support continuation of this policy in its present form and the results it has achieved over the past year. In addition, the minister says that some of the mines may close. After the present act expires it is

anticipated that 18 to 20 mines may close permanently.

A more serious consequence of the present condition of the industry is that there is very little prospecting and there are very few new mines being discovered, opened up and operated. In the period from 1941 to 1955 the number of mines in operation has been reduced by more than half, and one has only to project these trends into the future to see that the gold mining industry, if it depends on this temporary assistance and is not restored by a more permanent solution, is doomed to disappear in Canada.

The cost of what the government has done has been pretty well reviewed by the hon. member for Eglinton. I should like to point out to the house that the total cost of this assistance from its inception in 1948 is only $90 million. That $90 million has accounted for the production of $950 million worth of gold so that putting it at the highest the cost of putting into being gold which would not otherwise have existed as an asset in the Canadian treasury has been only 10 per cent of the amount of newly-mined gold in this country over that period. That is a very small premium for the insurance which this gold gives as part of our reserves.

In the period of the subsidy our reserves have increased by about the amount of the newly-mined gold, although not quite as much. In December of 1954 our reserves stood at $1,072 million, as has been said, and at the end of the last calendar year they stood at $1,134 million, an increase of $62 million in the course of the calendar year. The costs I have put at 10 per cent, being the relation of the assistance to the total production. But those costs are offset by a great many forms of taxation which bring back into the treasury a good part of the emergency gold mining assistance. Those are direct taxes on the profits of the mines and also taxes on the mining communities where the emergency gold mining assistance is largely put into circulation. Hence the net cost of providing Canada with this kind of insurance against its external obligations in the form of a vast reserve of gold, now well over $1 billion, is negligible as compared with its permanent value. In addition, this industry lends itself particularly to assistance because it is not a competitive industry. There is only one purchaser of its product, basically, and that is the government. Therefore in subsidizing in an indirect way by public funds we are not interfering with other enterprise. Furthermore, there is no danger of overproduction which is another hazard of a subsidy as the Minister of Agriculture (Mr. Gardiner) has found out to his great embarrassment.

[Mr. Michener.]

The net cost then is small in proportion to the values which one can see from the application of this policy. I have only two criticisms to make. The first is the criticism that I made last year, namely that the minister was wrong in reducing the assistance. If he had not reduced it the production would undoubtedly have been greater. Not only would some of the mines which have gone out of production have stayed in production but there would have been more incentive for exploration and the development of new mines. I know of gold mines where there are substantial tonnages of ore waiting to be mined when it is profitable to do so. Hence I think it is fair to say that the production of gold, the amount of gold put into being and flowing into the reserves of this country, would have been greater had the assistance not been reduced. There is a marginal point where gold ore will be left in the ground if the assistance is withdrawn. The minister knows that very well.

Then the other criticism—and it has already been voiced—is that the government does not appear to have attempted to find a permanent solution. At least, if they have done so, it has been kept quiet. I should like to ask the Minister of Finance (Mr. Harris) what approach he has made to the international monetary fund or bank, whichever institution has authority in these matters, or what efforts have been made in international consultation to find a means of increasing the price of gold. The minister last year accused me of being in favour of gambling with public funds, I believe, when I said there was a real possibility that these reserves which he is providing for the Minister of Finance (Mr. Harris) in the form of $1 billion in gold valued at $35, might very readily by the stroke of an international agreement become worth another $1 billion if the price of gold were doubled, as has been done in the past and as, I am sure, will be done again one day, because these things have a habit of recurring under similar conditions. Hence it is reasonable to expect that there can be no loss on this gold which the government is helping to produce. It is also reasonable to expect that there may very readily be a substantial profit to the Canadian economy and the Canadian people as a whole; and in the meantime there is a substantial benefit to those who are directly engaged in this industry as miners and their families and those who serve the mining communities.

On those two points I suggest that the government has failed in its duty. Of course I cannot complain of the fact that the act is being extended for a further two years because it is obviously of great benefit to the country and to the gold mining industry

particularly; it is of great benefit to know two years in advance just what the course of events will be. I therefore do not propose to vote against this bill but I would have liked this year—as I would have liked it last year —to see the assistance kept at the level at which it had been established. I should like to know what the government has been doing, or what effort it has made to have a review of the price of gold among the nations of the world who are concerned with it. It is 10 years since the Bretton Woods agreements were made and in all conscience that is enough time to know what the consequence of that $35 fixed price of gold has been to the great gold-producing countries like Canada, South Africa and others.

Mr. Charles E. Rea (Spadina): Mr. Speaker, I should like to say a few brief words about this matter. I wonder whether all hon. members in their mind's eye can go back to the beginnings of this industry in Ontario. Many of them are not old enough perhaps to go back to the time when the Ontario government first started to build the Temiskaming and Northern Ontario Railway in northern Ontario and to know what happened. First it opened the great town of Cobalt which became a great silver centre which remained for many years. Then as those with pioneering spirits started to get ahead of the railway, the first thing we knew gold was discovered up in Timmins. It must have struck a tremendous chord with everyone in Canada when it became known that gold had been discovered in northern Ontario. First there was just a little camp, with a few tents and someone who had a general store. Then as time went on these things grew, and finally a great big town appeared. Then we had gold discovered in Kirkland Lake. I can remember, back in 1922, getting off the train at Swastika. You had to get the old bus and go six miles from there into Kirkland Lake. It was a town of shacks at that time. People were buying Teck-Hughes stock at 15 cents a share; and if they bought it, they did not know where they were going to sell it. Now when you walk into Kirkland Lake, what do you find? It is a terrific town, one that you can be proud of. Then you went over to Larder Lake, Elk Lake and so on and so forth. This gold mining industry of ours just seemed to cause towns to spring up all over the place. As has been mentioned already, back in the early thirties, there was one place in Canada to which every traveller wanted to go to sell his merchandise, namely to northern Ontario because that is where business was good. Why? Just because of the gold mines.

Then along came the first increase in price, and away things went again. Prospectors went out looking for more gold, this precious metal which meant so much to everyone. Then all at once what happened? World war II came along. The cost of everything started to go up. Here was an industry with a level selling price and the cost of everything going up. Miners had to be paid more money; and it was right and just that they should. Merchandise cost more; machinery cost more; everything cost more. But the poor mining companies had a ceiling on what they could get for their merchandise. Things became so bad that eventually you brought in this Emergency Gold Mining Assistance Act in order to help many of these companies out.

It is said that this is a failing industry. That is a terrible word for us in Canada to use in talking about any industry. I do not think it is a failing industry. There is just one thing that keeps any industry from failing and that is salesmanship. All right. What have we to sell? We have a couple of things to sell. One of them is up to the government. They have to sell to the United States of America the idea that the price of gold must be either "upped" or freed. There is no question about that. We do not know how hard the government is going after it, or just how sincere their intentions are. I realize and understand that the United States is worried perhaps a little bit, or perhaps a lot, because we do not know what this might do to Russia. We hear they could be the second largest gold-producing country in the world. These are things that we do not know at the moment.

As I said on the resolution stage of this bill, those who are allowed to get the subsidy are not allowed to sell gold on the free market. That is something that I just cannot understand. I mentioned it before. If we allow everyone to sell on the free market and they are getting $3.48 subsidy now, and if they got an extra $2.48, the government would have to pay them only $1 an ounce when they produced the ore, if their sales averaged that.

I have another thought in mind for doing that. It would mean that all the gold mining companies could get together and have a sales force to start to re-educate the people of Canada about gold, what gold is and what they could do with gold. Hon. members can recall, as I can, when we used to get $10 gold pieces and $5 gold pieces for gifts and we used to get them as presents, and so on and so forth. But there are many people living in Canada today who have never seen a $5 or a $10 gold piece. Why can these gold mining companies not get together and build up a sales force and re-educate the Canadian people in the use of gold and perhaps in other ways? Let us go back and

see what happened to the nickel companies. You know what they did. They built up a research department and they are finding more and more uses for nickel. Why are the gold mining companies not encouraged to do that sort of thing instead of being left to themselves? Why should we say to them, "We will give you so many dollars. Do not go above that. We are going to give you your subsidy, but also let you go out on the free market." In case it does not work out and they lose their subsidy the minister says to me that they can come back on January 1 or July 1. I know all that, sir; but in the meantime, how much money have they lost?

Mr. Prudham: Will the hon. member permit a question? Is the hon. member aware that on the so-called free market the price of gold is less than $35 an ounce?

Mr. Rea: I realize that, but perhaps on the free market they could get more than that. That is what I am trying to tell the minister. I know you can buy gold at the mint, too, but all you can get there is a gold brick. You cannot go and get a $10 gold piece, or anything like that. You might be able to get $38, $39 or $40 an ounce for units of small articles that could be sold. There is no reason why that could not be done. If the government will only try to get the United States to increase the price of gold or let it go free, it would be a great help. Once again, we are hamstrung by our neighbours to the south. This is an actual fact. We must admit that. We know that Canada could not raise the price up to $50 or $60 an ounce or every country in the world would be sending their gold here; that is certain. The United States is different because they are the biggest purchaser of gold in the world.

Gold is something that we have to keep because of the fact that all these towns and all the people that are in these towns and all the industries that are tied up and allied with it are dependent on gold. You know, there is not a prospector today out looking for gold. I can imagine there is all kinds of gold in Ontario, but it does not pay. Suppose a prospector finds a great strike of gold, who wants it? I can remember back in 1936, I think it was when they made the strike in the O'Brien mine in Cadillac township. It was free gold; it was not too big. I was down in the mine; I saw it. It was the most gorgeous looking thing you ever saw. It was solid gold about the size of the top of this desk. There is lots more of it around this country. I have staked hundreds and hundreds of claims in my time. I never got a big one. Like every prospector, you always look for some bonanza somewhere along the line. But now no one is encouraged to go out and look for gold at all. I always say this: no matter where you are in the world, if you have gold you can do business and trade. That is what brought this country to where it is today. I just hope we can continue on to do that.

Certainly, we must have this subsidy. There is not any question about that. I still think that the minister should allow every mine, whether they are getting the subsidy or not, to try to see what they can do to develop a free market for gold. They have no sales force. That is one thing the gold mining companies never had, is sales force. They just shipped it down to the mint. That is all they had to worry about. So long as they had insurance on the bullion coming from the mine to Ottawa they were through. That is all the selling they had to do. I think they should get together and start a research and sales department, and I think everyone would be surprised at what could be done.

Of course, I am going to vote for this bill. There is nothing else one can do. It is a help; it is not enough. But I do hope—and I want to repeat this once again—that the minister will seriously consider allowing all the mines to go into the free market regardless of whether or not they are getting the subsidies. If they make more than the present price it will come off the subsidy. It will not entail any bookkeeping work. They must keep track of their sales anyway; therefore the extra bookkeeping work, if there is any, would be small.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Application of act to 1955, 1956, 1957 and 1958.*

The Deputy Chairman: Shall the clause carry?

Mr. Fleming: Mr. Chairman, it is ten o'clock. I hope that, while it is a very short bill, we are going to have from the ministers some statement of policy along the lines that were suggested tonight by several of those who spoke on second reading.

The Deputy Chairman: Shall I report progress and ask leave to sit again?

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, I presume we can finish this bill tomorrow in committee of the whole. Then we shall go on with the estimates of the Department of National Revenue. I may say, sir, we shall call any third readings before that.

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

ANSWER TO QUESTION

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

TELEVISION PROGRAM "YOU'LL NEVER GET RICH"

Question No. 514—**Mr. Hamilton (York West):**

Question

1. Has application been made to the Canadian Broadcasting Corporation for television time on any of its stations for the United States television program "You'll Never Get Rich"?

2. If so, has objection been raised by any department of government or anyone else to the telecast of the program in Canada by the Canadian Broadcasting Corporation, and, if so, by whom?

3. Has any check been made by any government department with the United States government to determine if the said program has aided recruiting?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

The Canadian Broadcasting Corporation advises as follows:

1. Inquiries were made to the C.B.C. regarding time availabilities for the program.

2. Not to the knowledge of the corporation.

3. The corporation has no information.

67509—316½

APPENDIX

DOCUMENTS AND AGREEMENTS TABLED—TRANS-CANADA PIPE LINES LIMITED—JANUARY 11, 1956

File No.	Subject:	Tabled:
174	Agreement Nov. 21/55 with Govt. of Canada, & Corr.	Jan. 11
174A	Agreement re public financing; ownership of shares	Feb. 20
174B	Corr. with Provinces, since Jan. 1/54, re building of (Agree. & Rept. Ontario Treasurer included)	Feb. 21
174C	Corr. with Govt. since Jan. 1/55 (Financial Rept. Sept. 22/55 included)	Feb. 21
174D	SUPP. RETURN TO Corr. from Jan. 1, 1955 to date	Mar. 14
174E	Copy of Order No. 88462, Mar. 28/56	Mar. 28
174F	Order No. 84220	Apr. 9
174G	Western Pipe Lines Ltd.—Corr. with Govt. Jan. 1/49 to date	Apr. 17
174iI	Trans-Canada Pipe Lines Ltd.—Corr. with Govt. since Jan. 1/51	Apr. 17
174I	Midwest Transmission Corr. since Jan. 1/51	Apr. 17
174J	Tennessee Gas Transmission Corr. re sale of gas	Apr. 17
174K	Northern Natural Gas Corr. re sale of gas	Apr. 17
174L	Trans-Canada Pipe Lines Ltd. P.C. 1956—656 re Agree.	Apr. 30
174M	McMahon Corr. Apr. 4-May 3/56 with Tr. & Commerce re pipe line from Alberta to Eastern Canada	May 3
174P	P.C. 1956-703, May 8:—loan & shareholders agreements	May 9
174N	Telegram May 6/56: Gairdner & Co. to Hon. C. D. Howe, re financing	May 7
174O	Northern Natural Gas Co. Corr. since June 1/55 re negotiations	May 8
174Q	SUPPLEMENTARY TO 174O—One letter re Northern Natural Gas Co. Corr. various Governments (prov.) & Canada, *re* construction from Alberta to Eastern Canada	May 17
174S	Purchase of pipe—Corr. with Tennessee, Can. Gulf & Hudson's Bay	May 21
174T	Oral judgment by Brd. of Transport Comm. & Order No. 88874 of May 25/56, *re* Western Provinces	May 28
174U	Corr. Finance Minister & L. R. Champion, *re* construction of pipe line, Alberta to Eastern Canada	May 31

212	Natural Gas Pipe Line—All Canadian. Copy of Communications dated March 26 and April 9, from Gairdner & Co. Ltd. to Minister of Trade & Commerce, *re* proposed plan for financing	Apr. 13
174V	P.C. 1956-860 authorizing execution of Mortgage and Indenture of Mortgage dated June 7, 1956, Trans-Canada Pipe Lines Limited to Northern Ontario Pipe Line Crown Corporation	June 12

HOUSE OF COMMONS

Wednesday, June 13, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

DISTINGUISHED VISITOR—PRIME MINISTER OF NEW ZEALAND

Mr. Speaker: Hon. members will permit me, I am sure, to draw to their attention the presence in our gallery of the Prime Minister of New Zealand. We all wish to extend to him the assurance of our most sincere friendship and our best wishes; and that assurance we extend to him personally, to the members of his parliament and to the people of New Zealand.

BANKING AND COMMERCE

Eighth report of standing committee on banking and commerce.—Mr. Hunter.

STARRED QUESTIONS

Mr. Robertson (Parliamentary Assistant, for the Minister of National Health and Welfare): Mr. Speaker, questions 53 and 54 as asked by the hon. member for Charlotte (Mr. Stuart) deal essentially with the same matter. In view of the extensive nature of the reply I wonder if I might have the permission of the hon. member and the house to table these replies?

Some hon. Members: Agreed.

Mr. Speaker: Does the same request apply to question No. 54?

Mr. Robertson: Yes.

Mr. Speaker: Agreed. Questions Nos. 53 and 54 are answered.

DISABILITY ALLOWANCE APPLICATIONS, N.B.

Question No. 53—**Mr. Stuart (Charlotte):**

1. How many applications for disability allowance have been received from persons in the province of New Brunswick since the Disabled Persons Act came into force?

2. How many applications have been granted?

3. How many individuals are now in receipt of disability allowances in New Brunswick?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1. The total number of applications for disability allowance received in the province of New Brunswick from November 1954 to February 1956 numbered only 2,887.

2 and 3. The number of applications granted already exceeds 1,000. The number of allowances paid in April 1956 was 992 and will exceed 1,000 for the first time in the present month.

DISABILITY ALLOWANCES—CONSULTATION WITH NEW BRUNSWICK

Question No. 54—**Mr. Stuart (Charlotte):**

1. Was the government of the province of New Brunswick consulted regarding the legislation passed by the federal government in 1954, to provide allowances for disabled persons?

2. Was the government of New Brunswick consulted with regard to (a) regulations; (b) definition of "total and permanent disability", as set forth in section 2, under the Disabled Persons Act?

3. Did the government of New Brunswick, in 1954, at the time the regulations and definitions were being considered, make any suggestions or proposals for broadening the coverage of the act, that were not adopted?

4. Has the government of New Brunswick at any time made representations to the minister as to the desirability of amending the legislation, the regulations, or the definition of "totally and permanently disabled", contained in the act?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

1 and 2. The government of New Brunswick was represented by Dr. J. F. McInerney, minister of health and social services, and Mr. J. Ernest Anderson, chairman, old age assistance board, at a conference with all the provinces convened on January 26, 1954, to discuss the proposed federal legislation on the subject of disability allowances. Again on September 20 and 21, 1954, it was represented by Dr. McInerney and by Dr. Stewart, chief welfare officer of the provincial department of health and social services. In the course of these meetings the New Brunswick representatives expressed their views as to the desirable scope and extent of the proposed legislation, the age of eligibility, the income ceilings which should be considered, and the provisions to be included in the regulations having to do with the definition of "total and permanent disability". The definition which now appears in the regulations was agreed to by all the provinces, including New Brunswick, after full discussion, in the course of which various suggestions made by the provinces were incorporated into the wording of the regulations.

3. No. Except in respect of one item, the age of eligibility, the present legislation and regulations conform fully in all respects to

the positions taken and suggestions made by the representatives of the province of New Brunswick at these meetings.

4. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL AND PROVINCIAL DEBTS

Question No. 152—**Mr. Hahn:**

What was the total gross and net of federal debt in 1935, 1939, 1945 and 1954, and what was the gross and net debt of each province for the same years?

FEDERAL EXPENDITURES—TAX RENTAL AGREEMENTS

Question No. 487—**Mr. McCullough (Moose Mountain):**

1. What was the total expenditure in each province for the fiscal year 1954-55 by the federal government, including the statutory subsidy and payments under the tax rental agreements?
2. What was the total expenditure during the fiscal year 1954-55 by each federal government department and agency?

H.M.C.S. "QUADRA"—CATERING CONTRACT

Question No. 506—**Mr. Barnett:**

1. Is the messing for H.M.C.S. *Quadra* (formerly H.M.C.S. *Naden III*) provided by a caterer under contract?
2. If so, is this contract awarded on an annual or other basis?
3. Was the contract awarded after call for tenders?
4. Is the contract on a per head per day basis?
5. If so, what rates have been paid in each of the last three years?
6. If not, on what basis and at what rates have payments been made during the last three years?

FEDERAL EXPENDITURES, QUEBEC

Question No. 509—**Mr. Lafontaine:**

Since April 1, 1944, how much money has been spent or paid in the province of Quebec, each year, by each department or agency of the federal government?

UNEMPLOYMENT INSURANCE COMMISSION, CAMPBELLTON, N.B.

Question No. 510—**Mr. Van Horne:**

1. Does the unemployment insurance commission have offices in the Rosenhek building in Campbellton, New Brunswick?
2. If so, how long have they occupied such premises?
3. What is the total amount of money paid for such premises to date?
4. What is the current monthly rental?
5. Does any other government agency rent space in this building?
6. If so, what is the rental paid?
7. Does any other government agency rent space elsewhere in Campbellton? If so, what rental is paid?

[Mr. Martin.]

TRANSPORT—USE OF PRIVATE RAILWAY CARS

Question No. 518—**Mr. Hamilton (Notre Dame de Grace):**

1. Between April 15, 1956 and May 28, 1956, what trips were made by private railway cars controlled by the government from (a) Ottawa to points in the province of Quebec; (b) points in the province of Quebec to Ottawa?
2. Who was carried on each such trip?

PORT STANLEY, ONT.—FEDERAL PROPERTY

Question No. 524—**Mr. McBain:**

1. Is any land at Port Stanley, Ontario, owned by government departments? If so, what departments?
2. How extensive are these property holdings and how are they defined?
3. How much of this property, if any, is leased to any municipality or individuals or businesses, and who are the holders of such leases?
4. For how long are such properties leased and on what terms?

MOTION FOR PAPERS

UNITED STATES CORPORATIONS—CANADIAN SUBSIDIARIES

Motion No. 81—**Mr. Hodgson:**

For a return showing a list of the names and head offices of all Canadian subsidiaries of United States corporations in Canada.

He said: Mr. Speaker, after talking to the parliamentary assistant I have learned this would probably entail a lot of work and it is quite all right to take that motion off.

Mr. Speaker: Is it agreed the motion be dropped?

Some hon. Members: Agreed.

Motion dropped.

HEALTH INSURANCE

INQUIRY AS TO PARTICIPATION BY PROVINCES

On the orders of the day:

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister inform the house how many of the provinces have intimated acceptance of the federal government's proposal to establish the first stage of a nation-wide system of health insurance, and how many more will have to agree before the government can go ahead with the scheme?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman was kind enough to indicate yesterday that he intended to ask this question. Three provinces have announced that they would accept in principle the proposal made by the federal government for a system of

hospital insurance. Under the formula announced by the Prime Minister (Mr. St. Laurent) it requires six provinces representing a majority of the people in the country.

Mr. Philpott: May I ask a supplementary question? Does the minister consider that the appointment by the government of Ontario of a commission to report on hospital administration indicates early acceptance of the federal government's offer?

Mr. Martin: I could not say whether or not the decision of the Ontario government to appoint a hospital commission indicates any more than what was said by the premier of the province when the personnel of that commission were appointed. I can only say what I have said elsewhere, that I remain very hopeful.

Mr. Dufresne: Could the minister give us the names of the provinces which have accepted?

Mr. Martin: Alberta, Saskatchewan and British Columbia.

HOUSING

ALLEGED SCARCITY OF MORTGAGE FUNDS IN METROPOLITAN AREAS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask if the Minister of Finance or the Minister of Public Works is in a position to answer the question I asked yesterday concerning the dearth of mortgage money in the metropolitan area of Toronto?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, the Minister of Finance did speak to me this morning about this question which I understand arose out of a telegram which he received. I might say that I have received the same telegram as have other members of parliament.

Mr. Fleming: The metropolitan home builders' association.

Mr. Winters: The telegram told of difficulties being experienced by some builders in obtaining mortgage credit. Briefly the situation is that up to the end of May, 1956, housing starts, in centres of 5,000 population and over, numbered 31,000, slightly above the corresponding period of 1955. Housing completions have run ahead of last year during the same five months, 35,000 in 1956 as compared with 33,000 in 1955. In a few centres there is some evidence of a decline in the volume of lending under the National Housing Act. At the end of the fifth month of this year, although the number of units approved for National Housing Act loans was down somewhat from the levels of last year, we are nevertheless assured of a good level of completions for 1956. The matter is kept under constant review by the government. I might point out that at the present moment the government does not contemplate any direct steps to increase the flow of mortgage funds for housing purposes.

Mr. Fleming: Is the minister not conscious of a contradiction in government policy as indicated by the express wish of the government through Central Mortgage and Housing Corporation to assist in the expansion of home construction, on the one hand, and the operations of the Bank of Canada with government approval of making money tight and dear, on the other hand?

Mr. Winters: Just before coming into the house I read the story in the Toronto *Globe and Mail* which referred to a contradiction, as did the telegram. I am aware of no contradiction. As a matter of fact, before we decided recently to raise the interest rate from 5¼ to 5½ per cent we had detailed discussions with the Department of Finance and the Bank of Canada. I am satisfied that what we have done is in harmony with the government's over-all fiscal policy.

[*Later:*]

INQUIRY AS TO REDEVELOPMENT IN MONTREAL

On the orders of the day:

Mr. Claude Richardson (St. Lawrence-St. George): Now that the Minister of Public Works has had a good rehearsal, may I ask him a question? It relates to a question that I asked on May 16, as recorded on page 4003 of *Hansard*. Has the government of the province of Quebec asked the federal government to co-operate or participate with the city of Montreal and the Quebec government in a slum clearance or rehabilitation project? If not, has there been any communication between the federal and the Quebec governments on this question?

Hon. Robert H. Winters (Minister of Public Works): The answer to the first part of the question is no. Regarding the second part, I have received a resolution passed by the Montreal city council approving the project. After studying the terms of the resolution, I wrote to the premier of Quebec asking if the government of Quebec is prepared (a) to give approval as required under section 23 of the National Housing Act, for a slum clearance project and (b) to enter into an agreement with the federal government, as required under section 36, for a housing project on the cleared site. My letter to the premier was dated May 31, 1956.

Inquiries of the Ministry

TRADE

GATT—POSSIBLE EFFECT OF TARIFF CONCESSIONS ON TRADE DEFICIT

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Would the minister care to comment upon what will be the possible effects of the tariff concessions to the United States under GATT which he announced recently upon the already formidable Canadian deficit in the balance of trade between the two countries?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am convinced that the concessions gained from the United States will have a considerable effect in stepping up our exports to that country. On the other hand, I think the concessions Canada has made to the United States will have a very limited effect upon the trade in the particular articles indicated, practically all of which are of a class or kind not made in Canada.

PARLIAMENT BUILDINGS

REQUEST FOR AIR CONDITIONING IN CAFETERIA

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Public Works. Could the minister advise the house what steps have been taken during the past three weeks, the time since I first asked my question, to reduce the temperature in the cooking and serving area of the cafeteria to a liveable temperature?

Hon. Robert H. Winters (Minister of Public Works): The hon. member raised the question in the house, and it was brought to my attention as well by other people. Admittedly the temperature in the cafeteria on warm days is high.

Mr. Fleming: It is about 110 degrees up there right now.

Mr. Hees: Particularly in the cooking and serving area.

Mr. Winters: The matter is being investigated, and we do propose to take some steps to correct it. There are several other parts of the building as well that need corrective action to be taken. They will be corrected at the same time, at the earliest possible moment.

Mr. Hees: Could I ask the minister when this action can be expected? It is now three or four weeks since the question was brought up, and the conditions are unliveable. I have investigated them personally, and the minister would know from his own knowledge if he went into that cooking and serving area what they are like. Can he give us some idea of when this job will be started?

Mr. Winters: The design work is being undertaken now. While I am not in a position to say when the work will be started, I should think it could be within the next, say, four weeks.

CANADIAN FORCES ACT

AMENDMENTS TO DEFENCE SERVICES PENSION ACT AND TO NATIONAL DEFENCE ACT

Hon. R. O. Campney (Minister of National Defence) moved the third reading of Bill No. 416, respecting the Canadian forces.

Motion agreed to and bill read the third time and passed.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENT TO EXTEND APPLICATION TO THE YEARS 1957 AND 1958

The house resumed, from Tuesday, June 12, consideration in committee of Bill No. 417, to amend the Emergency Gold Mining Assistance Act—Mr. Prudham—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Application of act to 1955, 1956, 1957 and 1958.*

Mr. Fleming: In speaking on second reading last evening, I asked the government, through either the Minister of Finance or the Minister of Mines and Technical Surveys, to make some statement concerning government policy, the kind of policy that might, we hope, lead to a solution of the problems of the gold mining industry rather than simply depending upon stop-gap emergency palliatives of the kind embodied in the Emergency Gold Mining Assistance Act. May I ask the ministers if they will now make a statement of government policy in that regard? That statement should embrace government policy in regard to the price of gold so far as that is determined by the international monetary fund; second, their efforts to persuade the government of the United States to increase the price at which it is prepared to buy newly mined Canadian gold and, third, the policy of the Canadian government in purchasing newly mined gold for the Canadian government's own reserves.

Mr. Prudham: Mr. Chairman, I think that the question the hon. member has brought up with regard to the government's policy of holding gold reserves could much better

be directed to the Minister of Finance when his estimates are before the house. So far as the efforts of the government to persuade the United States to increase the price of gold are concerned, I am sure that everything possible has been done in that regard. The fact that the United States is willing to buy all the gold offered at $35 per ounce gives a stability to the gold mining industry that does not exist in any other section of the mining industry or any other industry that I know of.

Hon. members have urged that the United States be requested to abandon that policy and to free the market for gold. As yet I have never heard anyone in the gold mining industry suggest that would be a good thing. At the present time the so-called free market for gold is below the fixed price of $35 per ounce. The high prices that have been quoted as having been obtained on the free market in years past have, I think, been related to conditions of panic that existed in various parts of the world and in no sense could be considered a stable market. The present quotation of between $34 and $35 an ounce in Switzerland would of course be decreased by the cost of transportation of gold to that country and the various service charges involved.

I believe that at the present time the fixed price of gold is really a stabilizing influence in the industry. We all admit it would be much better for the industry if the price were raised, but the raising of the price of gold would simply mean that the United States would be willing to give more United States goods and services for an ounce of gold.

Mr. Fleming: Or dollars.

Mr. Prudham: Or dollars. I contend that is a decision that rests with the United States. All producing countries would favour an increase in the price of gold, but in the final analysis it is a decision that the United States will have to make.

Mr. Fleming: I am not at all unmindful of what the minister has called the stabilizing effect of the assured market for gold production in the United States. Undoubtedly it has been a supporting and guaranteeing factor of considerable importance to the gold mining industry that there has always been that assured market at the price of $35 U.S. per ounce. Whatever has been said in times past about freeing the market has never been put forward by anyone, as far as I am aware, with any thought of losing the benefit of the assured market and assured price in the United States.

Mr. Prudham: The hon. member for Spadina advocated that last night.

Mr. Fleming: I am not sure that was involved in his advocacy of freedom in the marketing of gold. We have had extensive discussions in former sessions about permitting freedom in the marketing of gold, and a couple of years ago the government did move in the direction of permitting Canadian producers to market some of their production in the so-called free market. But I wish to say that I do not think anyone is proposing that we should lose the benefit of the assured market in the United States. We are mindful of the fact that it is a good thing to have an assured market for production when it is so important to this country that gold production be maintained.

As I understood him, the minister said that the government had taken some steps in the direction of seeking on the part of the United States government some increase in the price at which it is prepared to buy newly mined Canadian gold. Would the minister just confirm that understanding and indicate to the committee what steps have been taken in that regard? Is the Canadian government today urging upon the United States administration a policy of increasing above the prevailing $35 U.S. per ounce the price that the United States administration is prepared to pay for newly mined gold?

Mr. Prudham: Mr. Chairman, that matter has been the subject of discussion on different occasions. I cannot tell when the last occasion was, but the matter has been discussed several times.

Mr. Michener: Following up the question asked by my friend, I have a supplementary question to ask. I think we should press the minister for a specific answer to that question which he has just been asked. We know that Britain, France, South Africa and the minister himself are interested in an increase in the United States price of gold. The minister now tells us that he does not know when the government last made an attempt to consider that matter by conference with or request to the United States and others who are necessary parties to this change in price. I think the house is entitled to know exactly what steps the government has taken in the last 10 years—during which time this price has been covered by international agreement—to urge or request others to join in an increased price, and to know when the last attempt was made.

Mr. Prudham: Mr. Chairman, that is a fairly broad question. I cannot give that information in detail. I will say this, however. The

last time President Eisenhower visited our capital I personally spoke to him about it.

Mr. Michener: Perhaps the Minister of Finance could assist his colleague in this matter?

Mr. Harris: I beg the hon. member's pardon?

Mr. Michener: I submit, Mr. Chairman, that the house is entitled to a better answer than we have had.

Mr. Fleming: The Minister of Finance did not hear your question.

Mr. Michener: The specific question was this. When was the last attempt made by this government to interest the necessary parties in an increase in the fixed price of gold by joint agreement?

Mr. Harris: Mr. Chairman, if I may do so, I should like to answer this question instead of my colleague the Minister of Mines and Technical Surveys. I am not aware of any action that has been taken by this government with respect to asking the United States government to increase the price of gold. The answer which was last made on this subject in the house was made by my predecessor about three years ago now. At that time he made it quite clear that he realized it would be in the interests of the gold mining industry and the gold producers of Canada that there should be a higher price for gold. But he also made it clear that that was a matter which rested solely in the hands of the United States government which purchased the gold and that he did not feel that we should interfere in what he at that time termed a domestic matter in the United States. That answer was made by him in the course of a certain amount of questioning by my friend the hon. member for Eglinton, and I think it was his policy until he left office. Certainly it has been mine since I entered into the office on July 1, 1954.

Mr. Michener: Would the minister go a little bit further and indicate whether the government has considered the matter since then and whether it does not think that the time is ripe to bring this matter up again? After all, there are more countries involved than the United States, although everyone appreciates that their concurrence is necessary. I should think that very substantial allies would be found in a move in that direction, and what is the government thinking about that at the present time?

Mr. Harris: I think I have made my answer. Surely, everyone recognizes that a decision of the United States government to fix the price of the gold content of the United States dollar is within the sole competence of the United States government. We have many friendly and close contacts with that government in many fields. This is one however in which, in so far as I am concerned, while a certain amount of this kind of discussion might be desirable, I do not think it is the kind of thing on which we ought to approach them formally when, as a matter of fact, congress fixes the price of gold and it would not be a matter of the administration making a decision. It would be a matter of the administration recommending to congress and congress taking the appropriate action to increase the gold content of the dollar. As I say, I think that is wholly a domestic matter, and that probably we would have a better advantage in our other transactions if we did not enter into that particular one at the moment.

Mr. Fleming: Surely, the price the United States is prepared to pay for newly mined Canadian gold is not merely a United States domestic matter. Surely, it is a matter of interest to Canada as well as the United States. It is certainly a matter of interest to the United States, but I do not understand that it excludes the interests of this country where those interests of this country definitely lie with the gold mining industry in this regard. It seems to me there is some contradiction in the statements we have had here in regard to government policy.

Mr. Harris: No, there is not.

Mr. Fleming: Let us clear that up then, because it is evident from the statement made by the Minister of Mines and Technical Surveys—

Mr. Prudham: I will do that right now. My colleague has spoken about the fiscal policy of the government. This department has nothing to do with policy in so far as the holding of gold is concerned or negotiations with the United States in regard to the price of gold. The Department of Finance does that.

Mr. Fleming: The minister spoke earlier about some discussion he had had with President Eisenhower when he was here last time, which was about a year ago. What was the substance of his discussion with the President? What did he ask of the President in relation to the price of gold?

Mr. Prudham: He was non-committal.

Mr. Fleming: Did the minister ask the President if he was prepared to recommend an increase in the price of gold? Was that the substance of the minister's request?

Mr. Prudham: Yes; I asked if there was any likelihood of an increase, and he was very non-committal.

Mr. Fleming: It is indicated by the Minister of Mines and Technical Surveys that he considers an increase in the price of newly mined Canadian gold would be in the interests of Canada and would maintain the gold mining industry. I think it has been made quite clear by the Minister of Finance that during the two years he has been minister, and prior to that time, the government was not prepared to make any representations to the United States administration in that regard. I think it is about time the Canadian government decided what its policy is.

What is the interest of Canada in this respect? The statement that this is a matter of purely United States domestic concern completely ignores the fact that this is a matter of very lively concern to the Canadian economy. I do not at all follow the remarks of the Minister of Finance, Mr. Chairman, when he says that the price the United States is prepared to pay for gold is established by congress, and for that reason the Canadian government should not make representations to the United States administration in that regard. Surely, that is a very far-fetched kind of theory, because many of the fields in which representations are being made, as we understand it, on the part of the Canadian government to the United States administration at Washington are fields in which action is required or action has been taken by the United States congress. Of course, action on the part of congress would be required to change the price that the United States is prepared to pay for gold, but surely that is no reason why representations ought not to be made by the Canadian government to the United States administration, if it is in the interests of this country to seek an increase in the price the United States government is prepared to pay for newly mined Canadian gold. It is perfectly obvious, Mr. Chairman, there is no likelihood of the administration at Washington making any recommendation to congress in this regard if the Canadian government is not prepared to support the interests of Canada and of the Canadian gold mining industry by making representations to the United States administration at Washington to the same effect.

I think it has been made quite clear here today that one minister considers Canada should seek on the part of the United States administration an increase in the price they are prepared to pay for newly mined Canadian gold. It is perfectly evident at the same time that the Minister of Finance, and I take it the rest of the government, concurs in a policy of remaining silent and ignoring this problem and doing nothing to lay the interests of Canada before the United States administration at Washington with suitable representations in that regard. If that is the lackadaisical kind of attitude the Canadian government is going to take we shall be obliged to go on with the kind of measure now before us—hand-to-mouth, stop-gap, emergency, palliative measures—and ignore the essence of the problem and the need for facing up to it and seeking a solution.

If the Canadian government does not see fit to make any kind of representations in this matter to the United States administration at Washington, our nearest neighbour, I suppose there is not much use expecting this government to make any representations in the interests of the Canadian economy at meetings of the board of governors of the international monetary fund.

We do know that the South African government is not labouring under any such apathy or inhibitions. The South African government, as one of the great gold producing countries of the world, has not hesitated to lay its case before the international monetary fund and to request action on the part of that fund to increase the price of newly mined gold; but the Canadian government apparently is content to remain apathetic, lackadaisical and silent. Well, Mr. Chairman, that policy is just not good enough. It is that policy evidently that is making it necessary to continue measures of the kind we have before us. Of course, the gold mining industry should not be permitted to suffer further in the face of the apathy and indifference of this government. We shall have to have measures of this kind as long as the government is going to shirk its duty and ignore its responsibility; but believe me, Mr. Chairman, this government is going to have to face the strongest kind of criticism of which the opposition is capable if the government is going to go on ignoring the problem and the need of finding a solution.

Why should the Canadian government be so indifferent or so proud that they will not even take this matter up with Washington? There is just one minister, and I give him credit for it, the Minister of Mines and Technical Surveys, who had the courage and the realistic appreciation of the plight of the Canadian gold producers, and with that the plight of their employees and the communities dependent upon those mines, to lay this problem even briefly before President Eisenhower when he was here and to ask the president what the United States administration might be prepared to do.

It is not to be wondered at that the President was non-committal when the Canadian government has not the good sense to back up that kind of approach by the Minister of Mines and Technical Surveys. I give the minister full credit for that approach. I just wish that among his 19 colleagues there were some who had realism and concern enough about the plight of this industry and the employees and communities that are dependent on it to support him and make some representations at Washington.

Mr. Herridge: Mr. Chairman, last evening when I was speaking on second reading and dealing according to information I had received with the plight of some miners in northern Ontario who were laid off in certain mines and could not obtain employment in others because they were over 40 years of age, the minister asked me this question:

Do you actually know of instances where that has taken place?

At that time I did not have my correspondence on the desk and on checking it over I find I was given this information: I find that nine miners were laid off at Kirkland Lake Gold last November and were not able to obtain employment at any mine in the area because they were over age. Their seniority ranged from 12 to 25 years and none of them is eligible for a pension.

My point was, of course, that according to the information given to me these nine married Canadian miners with long service in the mining industry are not able to obtain employment because they are over 40 years of age and their places will likely be taken in the near future, as will the jobs they wish to obtain, by single immigrants who are being brought out to this country.

Mrs. Shipley: Mr. Chairman, I would like to reply to this specific point raised by the hon. member for Kootenay West. In the first place these miners' places will not be taken by anyone. This was an unfortunate occurrence and the only one of which I have any knowledge in the whole Kirkland Larder gold camp. The ownership of the particular mine to which the hon. member referred changed hands and part of the new policy was to reduce the total number of employees, not to increase at all. These nine unfortunate miners were laid off.

I do not want the impression left that they were just over 40 years of age and therefore could not obtain employment in other mines. Inexperienced miners, those who have never worked in mines, are not taken on if they are over 40 years of age as a general rule, but experienced miners are taken on all the time if they are over 40 years of age. However, there is a limit to the age at which other mines will employ even experienced miners and that is the circumstance in this case.

Mr. Hodgson: Mr. Chairman, I would like to ask the minister a question. Why was the amount of subsidy on gold reduced in the 1949 formula and again in the 1955 formula when the cost of producing gold is still increasing?

Mr. Dumas: Mr. Chairman—

The Chairman: Order.

Mr. Dumas: —I do not intend—

The Chairman: Order.

Mr. Prudham: Mr. Chairman, the formula has been changed several times since the inception of the act in 1948. In the early years the mines were given an option of choosing a base year. These formulas are very complicated and I do not think it is advisable to go into them in detail. This last formula does not extend assistance to any mine whose costs are below $26.50 but it does apply to a large number of ounces; thus it gives greater assistance to the mine with high costs and especially a mine that has a large production of comparatively low grade ore. It is designed, as I say, to help the high cost mines and also to conserve our resources by encouraging the mining of lower-grade ores in many instances.

The mining associations—there are several —have all commended us for this last formula. They say it is fair; they would like to see more money made available, but they say it is very fair and possibly more fair than any formula that has heretofore ever been presented.

Mr. Hodgson: That would be the 1955 formula you are speaking of?

Mr. Prudham: Yes. There has been no complaint from any mining company or from any mining association that I know of.

Mr. Dumas: Mr. Chairman, I do not intend to take up more time of the committee than is necessary and I shall be brief in my remarks. However, I cannot allow this legislation to pass without saying a word on behalf of the gold miners, the ordinary working men, the businessmen and the small property owners of my constituency. The people of northwestern Quebec were not only pleased when the Emergency Gold Mining Assistance Act was enacted in 1948 and extended thereafter; they were greatly relieved because one of the principal industries of the district was able to continue its operations. They have been grateful to the government. Although they were convinced

that some form of assistance was forthcoming, they appreciate the fact that this legislation is passed at this time.

From what has been said during the course of this debate it is evident that hon. members on all sides of the house are satisfied that this legislation should be extended for another period of two years. The Emergency Gold Mining Assistance Act is evidence of the recognition by the government of the importance of the gold mining industry in the national economy. The welfare of the gold mining industry has always been regarded by the government and by parliament as of great importance. For this I wish to express my thanks for the fact that the government has come forward at this time with this legislation which is encouraging to industry and to residents of gold mining communities. We are all grateful for that.

When this legislation was enacted in 1948, and when it was extended and amended from time to time, there was little or no opposition. For this the residents of the gold mining communities are certainly grateful to all hon. members on all sides of this house. However, for the benefit and information of those who may have some doubt as to the wisdom of this legislation, I wish to repeat what I have said on numerous occasions when I have had the privilege of speaking on this matter.

It is true that there was no definite opposition to the measure, but from time to time hon. members have expressed the opinion that there have been some abuses in connection with this form of assistance and that it did not benefit the miners and communities dependent upon the industry as it should have done.

In 1947 the average annual wage of a miner working in a Canadian gold mine was $2,277; the corresponding figure for 1950 was $2,763, an increase of 21·3 per cent over 1947. In 1954 the average wage of a miner working in a Canadian gold mine was $3,400, an increase of 49 per cent over 1947. For the period for which figures are available from the dominion bureau of statistics, that is from 1948 to 1954 inclusive, we find that the total increase in wages and salaries paid by the gold producers was equivalent to more than 85 per cent of the total assistance paid by the Canadian government.

During that same period the gold mining industry paid over $40 million in federal, provincial and municipal taxes, which item alone represents 50 per cent of the total assistance received. During the same period the total amount of wages and salaries paid by the gold mining industry amounted to $443 million. The aggregate cost of supplies, plant and equipment, buildings and machinery in the same period amounted to $383 million. These figures are impressive and it is important to take them into consideration. While wages, supplies and freight are the principal items of cost in operating a mine, they are by no means the only factors which contribute to an increase in the cost of operation. In addition, account must be taken of improved health and welfare services, increased rates of workmen's compensation and many other items which total some quite substantial amounts.

We must be reminded that the gold mining industry is the only industry which has to absorb these increases in the cost of operation without being able to pass on to the consumer any portion of the increased costs. In order to give a striking example to hon. members of this house and to establish the extent to which operating expenses have increased in the gold mining industry during the last 15 years I should like to cite some figures taken from the annual report of an important gold mine in my own home town of Malartic.

During the year 1940 the gross revenue of this mine was $3,424,000, substantially the same as for 1955 when it amounted to $3,473,000. However, in 1940 the operating costs were $1,319,000 with a net profit of $1,568,000. In 1955, notwithstanding more efficient mechanical equipment and other economies, the costs soared to $2,527,000 while the net profit shrank to $261,000.

The price of gold has been kept down to the 1934 basis of $35 U. S. per ounce while the cost of production has gone away up. In view of this it must be realized that the industry has no alternative but to accept government assistance even if this assistance falls short of compensating for the rise in production costs.

Now, Mr. Chairman, I would like to say something regarding the dividends which are being paid out from time to time by Canadian gold mines. The remark was made the other day that in one year the dividends paid out by Canadian gold mines amounted to $18 million and that these gold mining companies received $16 million in subsidies from the government. I did not verify the amount of $18 million paid out in dividends by the Canadian gold mines during 1954, but I accept this figure. However, I wish to say this, in order to put the record straight. The gold mines that did not alter their dividend rates and those which are paying the bulk of this $18 million in dividends are those which are not in the receipt of assistance.

Whatever dividends are being paid these days by most of the gold mines are taken

from surplus earned from other sources than their actual operations. Others are squeezing their dividends from accumulated surplus earned during the good years before the second world war. Many other gold mines are not paying any dividends at all. How long they will be able to continue to do that, we do not know. For how long they will be able to ask their shareholders to be patient, we do not know either. They certainly cannot tell their shareholders that this is a new way of operating a business.

From 1948 to 1954 inclusive, out of 27 Quebec gold mines which received assistance from the government, 15 never paid any dividends. Five others paid less than $500,000 each during those seven years. The six other remaining gold mines paid dividends on a reduced rate, and it is important to note that during that same period those six gold mines paid over $75,000 in increased wages alone, over and above what they received in assistance from the government.

The shareholders in the Canadian gold mining industry number many thousands and the great majority of them are small shareholders. We must keep that in mind. I will go so far as to say that the government, both in its role of tax collector and in its role of representative of the broader interests of all Canadians, has the responsibility to hang on to the gold mining industry, and hanging on to the gold mining industry means helping the shareholders, the employees, the small property owners, the farmers and the business people dependent on gold mining.

I also wish to remind the members of this house that the gold mining industry, important as it is, is only one branch of the metal mining industry of this country. This mining industry gives employment to some 130,000 men, who in turn are the supporters of more than 500,000 people. So, in trying to establish some comparison between the assistance allocated to the gold mines and that which is granted to other key industries, it would be only fair to keep those figures in mind.

An advance in the price of gold, I will admit, is the only permanent solution to the problem of the Canadian gold mines; but, as our country is not the largest producer or the largest seller of the precious metal, we cannot dictate a price and much less influence buyers by refusing to sell. We are faced with this problem, that the price of gold can be raised only by joint international action in which the initiative rests with our neighbours to the south, the United States of America.

The Canadian gold mining industry is passing through very difficult years, and the only final solution lies in a realistic valuation for gold in terms of the inflated United States dollar. The argument that this would result in further inflation and would help the communist nations more than those of the free world is only wishful thinking.

Meanwhile we are all aware that the production and sale of gold are of great importance to the Canadian economy. As it is, and until there is an increase in the price of gold, we must agree that the government will have to continue its assistance to the gold mines of our country.

Mr. Herridge: I wish to thank the lady member for Timiskaming, apparently the unofficial parliamentary assistant to the minister, for kindly reading her well-prepared answer to my question. But I want to say that, when a member asks a question of the minister, I think he is entitled to a reply from the minister. I wish to say also that the hon. lady member did not deal very fully with the situation. There is much more to it than that. But we are going to leave that until the Minister of Labour's estimates come before the house.

Yesterday I asked the minister some other questions. Would he mind answering them now, not forgetting Mr. Ramsay?

Mr. Prudham: My hon. friend asked me a number of questions yesterday on second reading. This morning I reviewed *Hansard* and made a note of those questions. The first question, I believe, related to a certain Mr. Ramsay, and I am going to ask my colleague the Minister of Labour to speak to that in a moment or two.

In regard to the employment of immigrants in the gold mines, my "unofficial parliamentary assistant" has dealt with that to some extent, in relation to the problem in that particular area. This morning I had my secretary call the department of immigration to find out how many new immigrants had come to Canada recently to work in the mining industry. These are the figures for the last ten years from January 1, 1946, to December 31, 1955, inclusive:

Nova Scotia	60
New Brunswick	19
Quebec	467
Ontario	1,349
Manitoba	140
Saskatchewan	66
Alberta	435
British Columbia	335
Yukon and Northwest Territories	18
	2,889

That makes a total for the ten years of 2,889 people. That averages about 288 per year, and that is not a figure that should alarm anyone. That is for all mines. I believe that any immigrant who comes to this country and does an honest day's work,

whether it be in agriculture, forestry, in the factories or in the mines, is a real asset to this country.

Some time ago my hon. friend from Timiskaming brought up the question of employment and labour conditions in mining areas and she had a word with my colleague the Minister of Citizenship and Immigration. He suggested that it would be a worth-while experiment to employ Indians in the mines. That matter was taken up with the secretary of one of the mining associations, and he relayed the suggestion to members of that association. I was very pleased indeed, on a recent trip to the gold mines of northwestern Ontario, to see quite a large number of Indians working in the mines along with the other people and doing a good job.

I do not think there is any cause for alarm about new people coming into the industry. They will help to rejuvenate the industry rather than to destroy it. I think two or three of my hon. friend's questions were related to the same subject. He spoke of the problem of over-age employees of a mine that has closed down having difficulty in finding new employment. That is common in the mining industry generally. It is true in the coal mines and all the way through. But I believe that the mechanization that is taking place in the mines is going to make it less likely that people over 40 years of age will, as my hon. friend has said, have extreme difficulty in finding new employment.

The old hard slugging type of labour in the mines is gradually being done away with and the efficient operation of the mines depends on skill, on men who have experience in operating machines. I am sure that if a mine found it necessary to hire additional personnel and had a choice between one man 40 or 50 years of age, with long experience and who was well qualified in a technical way, and another person without experience they would favour the man with experience. I believe that is the tendency so far as employement in the mines is concerned.

There is no doubt that the mining industry as a whole is suffering from the lack of skilled labour, and I do know that various individual mines and associations of mining companies are trying to recruit skilled employees from Great Britain and Europe. When my colleague, the Minister of Labour, speaks, I believe he will mention that fact and will also tell about the efforts of his department to place in steady employment those people who happen to have lost their jobs because of a shut-down.

Mr. Gregg: Mr. Chairman, last night, as my colleague has said, the hon. member for Kootenay West asked the following question as found at page 4975 of *Hansard*:

> Is Mr. William Ramsay, who has gone to Europe to recruit labour for the mining industry, still an employee of the federal Department of Labour?

Mr. William Ramsay has been an employee of the unemployment insurance commission and has been the manager of the office of that commission at Kirkland Lake. Mr. Ramsay has been working in very close association with the mining industry and knows very well the qualifications required so far as workers are concerned. It happens that he is now approaching or is at the age of superannuation. Because of his knowledge the Canadian mining association made special representations asking that Mr. Ramsay be granted permission to proceed overseas to recruit workers for the mines. I want to point out at this juncture that the most important part of that recruitment was not wholly or solely intended for the gold mining industry. The purpose of his trip was primarily to secure workers for the base metal mines.

Mr. Herridge: At whose expense?

Mr. Gregg: I am coming to that. Mr. Ramsay was granted leave of absence without pay for three months to so act and he has gone overseas. His remuneration and expenses are being taken care of by the mining association. Before he went overseas he discussed the whole question with the officials of the department of immigration in Ottawa, and in his work overseas he is working from and in close association with the offices of that department in the United Kingdom and in Europe. That is the story with respect to Mr. Ramsay.

My colleague has indicated the comparatively small number of workers who have come here from other countries to work as miners in Canada, and it was because of the great need that the mining association asked that this step be taken. I have looked over the other matters mentioned on page 4975 with regard to the conditions of labour, to which the hon. member for Kootenay West referred. I am inclined to think that the reports he has received are perhaps a little bit overdrawn. There are several safeguards. One is that organized labour is going to see to it that workers in the mines, whether they come from overseas or wherever they come from, are not going to be forced to accept unduly low wages for their work in the mines. Another safeguard is the eagle eye of the provincial departments of labour under whose jurisdiction these workers come. Finally, of course, there is the freedom of action that still exists for workers in Canada. If a worker in a mine finds that conditions are as bad as my hon. friend has had reported

to him, there is nothing to forbid that worker from finding work elsewhere in Canada or in other mines in Canada. Therefore I should like to stress my feeling, that there is no justification for fear with regard to the dangers that the hon. member for Kootenay West foresees in bringing in a few more workers.

Mr. Herridge: I thank the minister for his explanation. I do not foresee danger in bringing in immigrants as workers provided they are not going to be used in positions that could be filled by men such as I have described, particularly when they are older men with their homes and investments already established.

I want to ask the Minister of Mines and Technical Surveys another question. As the one responsible for administering this act, would he do what he could to bring about some arrangement with the companies seeking assistance under the act whereby any company receiving assistance will give consideration to the particular circumstances involved where a man may be laid off from one mine because it has closed down and because he is over age he cannot obtain employment in another mine? He has got his investment there as a Canadian citizen of long residence, has worked for a long time in the industry, and I think he should receive every consideration. Is the minister willing to go into that situation with the mining companies concerned to see that everything possible is done to protect these Canadian mine workers who are affected?

Mr. Prudham: The purpose of the act is to keep these mines alive and to provide employment for miners and the dependent communities. Under the act we cannot wield a big stick. As my colleague has stated, labour relations come under the provincial governments. So far as this act is concerned, we only pay out assistance on the basis of the cost of production within the terms of the act.

Mr. Pickersgill: Perhaps the hon. gentleman would allow me to say one word. Whenever any special representations are made to the department of immigration by any industry that there is a shortage of workers of a particular kind for that industry, we always go to the Department of Labour and find out if, according to their records, there are any people anywhere in Canada who would be available to do these things before we look for immigrants, and we intend to continue to do so. The reason I am speaking at all is to say that I have reminded any employer or group of employers who have come to see me in the last year from any industry that there are in Canada an increasing number of Indians who have got to find employment other than their traditional employment, and I should like to express my gratification at the response I have had everywhere to that request, and from nowhere more than from the mining industry.

Mr. Herridge: I am very glad to know it.

Mr. Michener: Mr. Chairman,—

Mr. Barnett: I wonder whether the hon. member for St. Paul's was intending to pursue a different line of questioning?

Mr. Michener: Yes.

Mr. Barnett: I was very much interested in the question which was raised yesterday on second reading by my friend the hon. member for Kootenay West and also in some of the replies he received today from the ministers concerned. I think it is important —as I perhaps said the last time this matter was up for consideration—that this question of the standard of living and the working conditions that are going to apply under the circumstances where the public funds are being paid out should be of great concern to the members of this house. The Minister of Mines and Technical Surveys earlier made reference to some figures, and mentioned the number of immigrants who had been brought into the country to work in mines. He stated that was the total for all classifications of mines. However, I think it might perhaps be fair to say that the admittedly substandard or—and I think this was the word used by the Minister of Mines and Technical Surveys yesterday—lower wage rates and the admittedly somewhat poorer working conditions that apply in the gold mining industry when contrasted with those in the base metal mines have probably resulted in a large proportion of those immigrants who have come to work in mines ending up in the gold mining camps. This would be generally true in the mining industry as a whole.

I know—and I mention this because it verifies in part the claims that were made by the hon. member for Kootenay West last night—that in one of the gold mining camps in central British Columbia which I visited last summer—actually it was part of a holiday trip on the way home from the end of the session—that that particular matter was drawn to my attention in conversations I had while I was there. By way of explanation, I might say that this was in a gold mining camp in which I had lived for eight or nine years, and that I was talking to people whom I had known since 1933, and who had been continuously since that time—and probably prior to that time in some cases—engaged in one manner or another in the gold mining

industry. That was the comment I heard in that particular camp from a good many quarters, from people who were intimately familiar with all that had gone on in the period that had elapsed since I had left there. That comment was in effect that the mining operation was being flooded by recent immigrants to this country.

I think perhaps it is understandable that the experienced miners of British Columbia who have been in this country over a longer period of years may have gravitated to other mining camps engaged in other phases of the mining industry where wages and conditions may be somewhat better. I think it is an unfortunate situation—and one that should give us pause—to realize that there is a good deal of truth in what the hon. member for Kootenay West was suggesting last night, namely that these people who come as strangers to our land all too often seem to end up in the least desirable situations and occupations that are to be offered in this country. Some might argue that there is perhaps a certain rude justice in that situation and that they should be obliged to do a bit of the dirty work before they graduate into the more lucrative and desirable occupations. Nevertheless there is a tendency—and I have seen too many concrete examples of it here and there; and in this reference I may say I am not referring particularly to the gold mining industry—to exploit these people coming as newly landed immigrants to our shores.

I think it is certainly right that the hon. member for Kootenay West should have raised this particular question while we were considering a bill to extend the provisions of the Emergency Gold Mining Assistance Act. I think we all recognize that a great deal of what was said a short time ago about the situation of the gold mining industry, in the analysis that was given to us, is perfectly true. Anyone who has been associated with the industry in any way or who lived in a gold mining area back in the days of the early 30's recognizes the basic economics of the situation that exists today in relation to the fixed price of gold. But nevertheless, every time this question comes up, as far as I am concerned I feel that every emphasis should be given to the fact that, if we are going to allow this money to be spent from the consolidated revenue fund of Canada for the assistance of this industry, our primary concern should be a humanitarian one.

The place of gold in our economy is a subject that has already been discussed and I would not like to argue with some of the things that have been said both by hon. members from the government side of the house and by some of the hon. members of the official opposition who have an interest in and a knowledge of conditions in the industry. But certainly I feel that the hon. member for Kootenay West was fully justified in bringing the matter directly, in the form of questions, to the attention of the Minister of Mines and Technical Surveys and also in indicating that this question was one which should be of concern to other ministers such as the Minister of Citizenship and Immigration and the Minister of Labour.

Mr. Eyre: Mr. Chairman, I hope you will not call me to order too often. I had intended to speak on the motion for second reading of this bill, but yesterday I was in committee from 10.30 o'clock in the morning until after ten o'clock in the evening and I did not get an opportunity to do so. Hence if I am a little bit out of order in speaking on the bill, I hope hon. members will let me go on.

Since the introduction of the Emergency Gold Mining Assistance Act in 1948 and since my election to this house in 1949 I have never taken part in any previous debates on this particular subject. At that time I felt that the house did not want too much repetition and that there were others who were probably more qualified to speak than was I. However, at this time I think probably I should say a few words because this may be the last opportunity that I shall have to speak on this legislation. I say that for several reasons. I might not be here at the next parliament—and the bill is to give an extension to 1958—maybe for political reasons and maybe for others. I should therefore like to get a few things on the record.

May I say this to the minister at this time. You and your department are doing a good job as far as the gold mining industry is concerned. I want it to be understood right now that any figures I quote and anything else I say are going to apply strictly to my constituency. I am not going into the situation in Canada as a whole. That matter has been very well covered by my colleague the hon. member for Villeneuve. I am not going to tell you what a fine town Timmins is. It has been there for a long time and it is one of the biggest gold mining towns in Canada. This can be verified by those in this house who have visited it. To those who have not done so, may I say that I hope they will come up there some time and look over our modern town. My constituency is predominantly a gold mining area, except for one asbestos mine over at Matheson which came into production a few years ago. In my opinion we have weathered the storm very well. We have not lost too much in

production nor have we lost too much in population. We are not as well off as we were prior to 1948, but by and large the town of Timmins is in good shape and some of the mines are in pretty fair shape, too.

I want to say at this time that the extention of this gold mining assistance act is welcome news to the mines in my community and to the people as a whole. Gold, as some of you know, was third in 1955 amongst the metals mined in the province of Ontario. The Porcupine mines shared in that to the extent of about 45 per cent of Ontario's whole production. You can see from that that gold mining is rather the major and basic industry in Timmins.

Yesterday or the day before there were figures put on the record, and I am not going to get into a controversy with anybody about figures. If I happen to quote figures and they happen to be out a little bit, that is to be understood. In his very fine presentation on behalf of the gold mines I noticed that the minister made a reference to four people being employed on the surface for every one employed underground in the mine. This reference appears on page 4916 of *Hansard* for June 11, 1956. I think what the minister had in mind was the local vicinity. I am asking that question because I think I have read somewhere, although I could not find it this morning, that for every man employed underground in a gold mine to take out a ton of ore, in the neighbourhood of nine people were supported in other industries and services on the surface. I am not trying to correct the minister in any way whatever, and I may need to be corrected on my own figures.

I noticed in yesterday's *Hansard* that the hon. member for Spadina spoke for a few minutes about the minting of gold coins. This question was brought up in the house two or three years ago and at that particular time I supported the minting of gold coins. I advocated that we should try it. I notice that you can now carry gold coins with you. In fact, I happened to see the first one in quite a few years the day before yesterday.

I believe it was the hon. member for Kootenay West who referred to immigrants who were brought in to work in the mines. I believe this question was well answered by the Minister of Labour. I have been asked several times why this was allowed, and why the department brought in these immigrants, and I did not know the answers. I understand the policy better now. So far as Mr. Ramsay is concerned, I have known him personally for over 40 years, and they could not have picked a better man to go over to select help for the mining industry. It was also my understanding that this help was for the mining industry as a whole. I do not agree with the hon. member for Kootenay West that the immigrants live in bunkhouses and rooming houses. It has been my observation over the past few years that the men who have come into Porcupine from other countries to work in the mines, a few from England, Scotland, not so many from Ireland, and from Germany or Italy, have all made fine citizens and have bought homes. I think probably the hon. member had in mind the single men who come to that area. It is my understanding that they are bringing married men and their families as well.

Mr. Herridge: I was informed that they were largely single men.

Mr. Eyre: You spoke of that, but you did not speak about the married men.

Mr. Herridge: I did not know anything about them.

Mr. Eyre: I noticed that, according to the newspapers, a fellow in England wanted to come to Canada to work in the gold mines. He was talking to Mr. Ramsay and said he wanted to come. The next day he said, "I cannot go; my wife will not let me. What am I going to do?" Mr. Ramsay said, "You had better take your wife's advice and stay at home." I understand they are bringing married men over here.

Mention was made of the salaries. As I said before, I am going to deal with one mine and I am not going to put the name of the mine on the record. I did not get these figures from the mine but I got them from a source connected with the mining industry. These figures refer to one of our larger mines but they apply to most of the mines in my constituency. In the year 1947 the payroll was over $3 million. In 1954 the payroll was close to $4·5 million, and the average number of employees during all these years runs about the same. In fact, they have 105 more employees now than they had in 1947. Basing it on those figures for 1947 and 1954, I would say that in my opinion every man received a fairly good increase in wages. The figures refer to some members of the staff but do not include management. I am not going into the wage question and try to say what the wage should be.

Mr. Herridge: What rate per hour are they getting now?

Mr. Eyre: I cannot put that figure on the record at the moment because I do not happen to have it with me. If you base your calculation on 1,100 men and take a payroll of

$3¼ million and then take 1,100 men with a payroll of $4·5 million, you will be close. That is just about the way it runs all the way through.

I noticed also that according to yesterday's *Hansard* the hon. member for St. Paul's spoke. I must say that the hon. member for St. Paul's is quite qualified to speak about gold mines. I know of several with which he is connected in my constituency. The hon. member has dealt with the international monetary fund, and so on. I have no intention of getting involved in a debate on that subject but I will say, sir, that the hon. member for St. Paul's put some fine figures on the record which are general and apply in large part to the mines in my constituency.

The hon. member spoke about the average age of the miners. Having been connected with mining directly and indirectly for a number of years I have built up a substantial library on mining, especially gold mining. I have in my hand some figures covering the pre-war period and up to the end of 1954 as they apply to some of the mines in Porcupine. The average age prior to the war was 35·16 years. The average age in 1954 was 39·09 years. There may be something in what the hon. member for Kootenay West said, because I notice the highest average age in any one mine in 1954 was 41·2 years and the lowest average was 34 years. This, of course, refers to Porcupine only.

I have some further figures which can be verified. Porcupine, including all mines, employed 7,300 men in 1951. At the end of 1954 they employed 6,315 men. There has been a decrease as far as the number of employees is concerned in my constituency.

I must say the new formula that was put in last year is in my opinion the best formula we have had throughout the life of the Emergency Gold Mining Assistance Act. I would like to see more money available, but be that as it may, I hope the day will come before the act expires when we will not have to ask for any assistance for the gold mines.

Hindsight is so much easier than foresight, but if there had been a formula of this type in operation at the beginning it would have done away with a lot of our troubles. When I refer to our troubles I refer more or less to the controversy concerning wages and things of that nature. There were mines that were receiving a large amount of subsidy, and when you saw headlines in the papers that a mine had paid out two or three million dollars in dividends and received $1 million in subsidy, the reaction right off the bat was that the government was paying 50 per cent of the dividends and that is not a true picture at all.

With reference to the nine men or nine families that were supported by the man in the mine—that may include him also—I would like to leave a thought with you concerning what this means to other communities outside the immediate mining community. If we take 50 per cent of the number of people who are living off the production of a mine as representing those who do not live in the community, in my opinion it affects the prosperity of a great many other communities.

I hold in my hand figures concerning a particular mine. In 1951 this mine purchased $2,422,340 worth of supplies from outside the immediate community. I wish to put on the record the number of communities that benefited from those purchases. In the neighbourhood of 50 communities in Ontario, 14 in Quebec, and St. Boniface, Winnipeg, Port Alberni and Vancouver benefited. You can readily see, therefore, how the purchases of mining communities affect communities outside the mining area. In the good old days—and I mean when the price of gold was high and things were going along pretty well—one mine up there purchased outside supplies to the total value of $5,818,000.50. That is a lot of money to distribute in various communities located outside the mining area, and I notice that the figures for an 8-year period are about the same.

With reference to dividends, I do not know what some people consider a proper dividend to receive on money invested. I guess it is human nature to want to receive all that one can. I have here figures for the year 1951 concerning some mines in my constituency and I notice the yield has been greatly reduced since 1951. I shall not give the name of the mine, but the highest yield on the investment was 7·05 per cent. I find the lowest yield on the investment was 1·80 per cent. This particular mine employs a considerable number of men and at the moment I do not think it would pay any dividend, although of course I do not know.

When the new formula came in I thought it would probably adversely affect the cost of production of mines in my constituency, but I find that it has helped them. I would like to go into that matter for just a moment if I may be allowed the time, Mr. Chairman, and if the hon. members are willing to bear with me; but before I do so let me say a word concerning the number of ounces produced.

The figures I have are not right to the ounce. My constituency produced 110,114 ounces of gold in 1953, a decrease of roughly 17,000 ounces from 1948. In 1955 we produced nearly 84,485 ounces of gold, which was a decrease of approximately 8,796 ounces during the

years in which the Emergency Gold Mining Assistance Act has been in effect. If you consider the figures for 1948 and 1953 it will be seen that the difference in production is not too great. Taking the 11 producing mines in my constituency—there was one I did not consider because there has been an amalgamation in the last two or three years and I could not separate it—four mines show an increase in production since 1948 while six show a decrease. The increase amounted to over 50,000 ounces while the decrease totalled 71,000 ounces, which left a net difference of approximately 20,000 ounces.

These mines are doing a fine job in trying to keep their costs down. Every man employed in the mines is trying to find ways and means of keeping costs down and inventing ways to do things more cheaply.

For just a moment I should like to deal with the question of secondary industries in northern Ontario as a whole and in my own constituency in particular. This matter has been referred to by the hon. member for Cape Breton South, the hon. member for Timiskaming and others, and it has been said that the government should do something to assist in the establishment of secondary industries. I should like to put on the record the fact that two years ago a survey was made in my constituency by most capable men under the direction of the Minister of Defence Production. A report was submitted, and I have hopes that something will be done in the near future.

In addition others have been looking into the possibilities of establishing secondary industries which would be beneficial to Canada as a whole. An association has been formed in northern Ontario to cover the area down to Sault St. Marie and Sudbury. The office is in North Bay and operations are carried on under the direction of the provincial government, which is paying $10,000 a year toward the cost of keeping up that office and employing an administrator, an investigator and so on.

The town of Timmins has an aggressive industrial commission which works in conjunction with the Porcupine chamber of commerce. In the past few months the town of Timmins employed a firm of experts in Montreal to come in and make a survey, working in conjunction with the local industrial commission, the commission set up in North Bay and the dominion government. I have hopes that something will be accomplished in the Porcupine area. If that should come about it would be of assistance also to the hon. member for Timiskaming. We have a few secondary industries, but they are small and are related more to the local scene.

Reference has been made to subsidies and assistance for the gold mines. I appreciate that, and I appreciate also how much it appears to be costing the taxpayers. However, actually I do not think it is costing the taxpayers anything and I shall try to prove my point. The figures I am going to give do not come from the Department of National Revenue or any department of government. In the last couple of years alone over 6,000 miners working in the mines in my constituency have paid nearly $2 million in income tax. I do not know what the other local people would have paid in the same period, but it would be a considerable sum. Then when we consider the industries which are supported by the gold mines we would find that the income tax there would be substantial. The amount received under the Emergency Gold Mining Assistance Act in my area in 1953 was a little over $3 million; in 1952 it was around $2 million, and in the years prior to that it was over $3 million.

The Deputy Chairman: I am sorry to have to interrupt the hon. gentleman, but it is my duty to advise him that his time has expired.

Mr. Eyre: Perhaps it is just as well that you are closing me off.

Mr. Michener: Mr. Chairman, now that we have heard from the hon. member for Timmins there would seem to be support for the proposition we made to the minister that he should consider amending this bill and restoring the rates which were in effect a year ago. We heard from the hon. member for Villeneuve, who knows a good deal about this industry, having had long experience as a surveyor, and I believe he agrees with us when we say that while changes in the formula might have to be made from time to time, the substantial reduction which took place last year, amounting to 44 per cent, should be eliminated. On the forecast of next year's payments it will be a reduction of 50 per cent in the course of two years. However, that appears to be the government's fixed intention.

In tribute to the gold mines I wish to put on record one or two facts from the report of the Ontario committee on gold mining, which was referred to last night. That is the committee under the chairmanship of Professor Knox which reported last year to the Ontario government. It collects much useful and up to date information about gold mining in Ontario.

One figure in which I think the committee will be interested is the increase in wages paid by gold mines. The average wage over and above the payment of this assistance has

increased 50 per cent, from about $2,200 to $3,200 a year. For the 10,600 gold miners in Ontario that is something like a $10 million increase in annual wages over the period during which this assistance has been paid, so one can see that the increase in wages paid in Ontario alone is more than the entire subsidy in all Canada in the same period. The entire subsidy is estimated to be $9,300,000. The increase in wages is something like $10,600,000 over the wages paid when the subsidy first came into force. This indicates that the gold mining industry is helping itself as well as receiving this emergency assistance which it needs from the government.

There is a very interesting table, too, on the composition of the men in the different gold mining camps of Ontario, and I commend it to those who have spoken about the age groups. It is an interesting fact that of the 10,988 gold miners who are tabulated and classified according to age at page 84 of this report 2·2 per cent were over 65 years of age, which I think bears out what has been said, that the mechanization of the mines makes it possible for men to carry on after their years of greatest physical vigour. Some 3·5 per cent were between the ages of 60 and 64. I understand that in the civil service a man is considered ineligible after 65, and in some places after 60, but here we have 3·5 per cent of the gold miners in Ontario between the ages of 60 and 65. The table is there for those who wish to see it, and I shall not take the time of the committee to read it. As I say, 64 per cent of the miners were under 44 years of age, but the fact that they are distributed over the entire working period indicates the stability of these communities and the social value of this measure, which will help to save these solid communities where men work throughout their entire working days.

Now I wish to ask one question in concluding my remarks on this section. The minister indicated that five gold mines closed during the past year when the reduced rates of assistance were in force. I should like to have the names of the five mines which found it necessary to close their operations.

Mr. Prudham: There were two mines closed in British Columbia. One was the Nickel Plate mine and the other the French mines of Kelowna Mines Hedley Limited. In Quebec there were the Powell Rouyn Gold Mines Limited and the New Senator-Rouyn Limited. There was also Young-Davidson Mines Limited in the Matachewan area of Ontario.

Mr. Michener: Not the Matachewan Consolidated Mines?

Mr. Prudham: No.

Mr. Fleming: May I ask the minister whether any consideration has been given by the government to the revision of the scale? I am not thinking so much about the basis for the formula because, as has been indicated, there has been some reason to think that the formula as such is more satisfactory than the preceding formulae. Could it be made a little more generous?

Mr. Prudham: We think this is working out quite satisfactorily. We do not think we would be justified in asking parliament to spend the taxpayers' money to assist mines whose costs are below $26.50 per ounce. Mines whose costs are above $26.50 per ounce are receiving in most cases as much as they did previously under the other formula.

Mr. Fleming: How many mines now in operation is it estimated will not be in operation a year from now?

Mr. Prudham: It is very difficult to answer that question, as my hon. friend knows, but our officials say there will possibly be two.

Mr. Fleming: Two more casualties?

Mr. Prudham: Two casualties, mainly because of the exhaustion of ore.

Mr. Fleming: There was one other matter touched on last night on which nothing has been said yet. The Minister of Finance is not here, although he was here at the opening of the committee sitting this afternoon. There was a matter raised last night in regard to government purchases of gold for various reserve funds that the government maintains, whether in the Bank of Canada or in the exchange funds. Can we have some statement of government policy in this regard?

Mr. Prudham: I believe the government reserves of gold are somewhere about $1 billion. My hon. friend from St. Paul's mentioned the fact that last year I suggested that he was willing to gamble the taxpayers' money. I think it is a matter of exercising good judgment as to how large a reserve the government should hold. If the United States were to take the advice of the hon. member for Spadina, abandon the fixed price for gold and throw the world on the free market again, I am a little doubtful whether it would be considered good business for the government to have as large a hoard as we have right now. On the other hand, if the United States government were to accept the advice of the hon. member for Eglinton and raise the price of gold the government

would stand to profit. I think it is just a matter of exercising prudent judgment as to the level at which the government reserves of gold should be maintained. If the fixed price for gold should be abandoned by the United States and the price went down, I am sure my hon. friend would criticize the government for having such a large stock on hand and losing money. On the other hand, if they should raise the price I think he would say we should have had a larger hoard.

Mr. Fleming: I am a little surprised at the minister's remarks. It does not sound to me as though he entertains much confidence in the future of gold. If he does not entertain much confidence in the future of gold, I think it is going to be a factor in qualifying the outlook for the gold mining industry in this country. I had hoped from what the minister said in his remarks yesterday that he did have a sense of confidence in the future of gold. It is an important industry in this country. If there is no future for gold, there is no future for the gold mining industry in this country.

It seems to me, as I endeavoured to say last night, that the Canadian government could do something quite useful for the outlook for this important industry by showing its confidence in the future of the commodity they are producing. Nobody is proposing any vast increase in the holdings. However, as I indicated last night, while there has been a slight increase in the government's holdings of gold in each of the last four years my information is that in 1956, that portion of it which has elapsed thus far, the government's total gold holding has decreased. That is not a very good advertisement. That does not suggest that the government has confidence in the future of this important Canadian commodity.

I think the minister's last remarks this afternoon are disappointing. Has the minister nothing to say as Minister of Mines and Technical Surveys to indicate his confidence in the future of this Canadian commodity, a commodity that is still being sought by every country in the world and which is a factor in the fiscal and trading policies of every country in the world, whatever its system of government, and that includes the totalitarian governments as well? Is the Canadian parliament now to be told that the government is lacking in faith in the future of gold and is timid about making purchases of gold for holding in reserves that the government keeps anyway? After all, it is only a question whether the government holds gold or United States dollars in that fund.

The minister conjures up the possibility of the United States government withdrawing from its policy of purchasing—

Mr. Prudham: The hon. member for Spadina recommended that last night.

Mr. Fleming: I do not think he recommended that last night at all. I think what the hon. member for Spadina recommended was that more leeway should be given to the Canadian mines to market their product, whether in the free market or in the United States. After all, some of us on this side had to press the government hard before the government embarked several years ago on the policy of permitting sales of gold in the free market, and we had to complain afterwards that the terms upon which the government was permitting those sales in the free market were very rigid. So rigid, in fact, and so stiff were the terms that they really nullified to a substantial degree whatever benefit the mines would have had from that limited right to sell their product on the free market.

Mr. Prudham: Are you suggesting that situation still obtains?

Mr. Fleming: There was a good deal of criticism in regard to rigidity, and I think I was one of those who urged on the government that they should be much less rigid in the application of that policy, that they should remove some of the fetters that were still imposed upon the gold producers and let the producers enjoy as much benefit as they could from the still limited basis upon which they were entitled to enter the free market.

But let us come back to the point with which I was dealing. The minister conjures up the possibility that the United States might abandon its policy of purchasing newly mined gold at the price of $35 U. S. per ounce.

Mr. Prudham: I did not suggest that.

Mr. Fleming: The minister puts that before us and says that if the United States administration did so we would then be left holding a lot of gold and there would be criticism over our holding so much gold. If the Canadian government is going to hold itself aloof from all communication with the United States administration in this regard, then I suppose we are going to be operating in the dark. If the Canadian government would measure up to the responsibilities that I tried to describe earlier this afternoon it would not be very hard to learn what is United States policy in this regard or what are the possibilities of a departure from that policy.

I am sure there is no evidence that has come to the attention of any member of the government to suggest for one minute that the

United States administration is going to abandon or modify its policy of purchasing all newly mined gold offered at a fixed price of $35 U.S. per ounce. The modification we were urging that the Canadian government should seek was an upward adjustment in the price. I was glad to hear the hon. member for Villeneuve support this afternoon what we have been saying in that regard.

But it is all a question of what is good sense in relation to the total Canadian interest, and I think the Canadian government has an opportunity here to show its confidence in the future of this industry. It would have a good effect if the Canadian government, instead of contemplating a reduction in its holdings of gold as reserves, would say, "We have confidence in the future of this important Canadian commodity and we are going to increase rather than reduce our holdings of gold in our reserve fund".

Mr. Eyre: I did not intend to suggest to the government for one minute that gold miners should be exempt from income tax or any other tax, because I know they want to pay their fair share. However, when the hon. member for Yukon was speaking yesterday with regard to a situation that exists in his particular constituency, his remarks gave me the thought of trading dollars. That was all. That is why I put that on the record. I should like to refer for a moment to our gold reserves. I am not going to say anything about the monetary fund because I do not know enough about it. I leave that to others who are much more capable than I am.

A few months ago a very responsible mining man made the statement at a public meeting that it looked as if the government was hoarding gold, not selling any to other countries but storing it, waiting for a higher price in order to profit from the production of the gold mines. I cannot speak for the government but I do not think any government would do anything like that. I have faith in gold. I think and hope that at some time in the near future it will come back and play its proper part in the Canadian economic sphere, and pay its own way. But I would suggest this. If the government does not export gold or sell any and if the price should go up, shall I say to $50 or $60 an ounce, the government would be making a considerable profit from the gold mines. If that should happen, consideration should be given to handing that profit back to those mines with a string attached, namely that a percentage of it would be given to the men who were employed in the mines at that time.

Secondary industry is one thing I wanted to mention. I spoke about it for a second and then I lost the trend of thought. As I said, I did not want to open up discussion of anything that was not relevant. However, there is one thing that is relevant to secondary industry, and that is the gas pipe line in northern Ontario, which is going to go right through my constituency. I believe this pipe line will have a big effect in attracting secondary industries into my constituency and into other constituencies in northern Ontario.

I do not want to put on the record any suggestion as to price, but it would appear to me that with a pipe line that is some 400 miles closer to the source of supply than, shall we say, cities like Toronto or Hamilton, we should enjoy a cheaper price for that fuel in my constituency. Time alone will tell whether or not we shall do so. If we enjoy a cheaper price, that fact will help us to compete, having regard to transportation problems, because we have to transport our products greater distances in order to reach a market.

That is about all I wish to say at this particular time. I hope those who are here when a similar bill comes before parliament in 1958—and I refer to members of all parties—will give it the good consideration that they have given it during the past seven years and will support it if the gold mines should need assistance.

Clause agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Applewhaite): When shall this bill be read a third time?

Some hon. Members: Now.

Mr. MacInnis: By leave.

Mr. Prudham moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

SUPPLY

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

DEPARTMENT OF NATIONAL REVENUE

285. General administration, $3,348,014.

The Deputy Chairman: I am told that the resolution appears at page 52 of the estimates, the details commencing at page 381.

Mr. Monteith: Mr. Chairman, the estimates of the Department of National Revenue have been before the estimates committee. There were some six meetings of that committee and some 136 pages of evidence were taken.

I think it was a worth-while study of the department, but I do not think it was as complete as it might have been.

One thing we know, of course, is that the committee was not permitted to hear witnesses. It occurs to me that it would have been well worth while if we could have had appear before the committee representatives of the Canadian tax foundation. During the course of the sittings of the committee we discussed certain of the tax provisions and regulations, but we did not discuss the actual collection of taxes. If we could have had before us representatives of this foundation I think we could have had much more information put before us.

I do not propose to go into the details as set forth in the items other than to say this. I would bring to the attention of the committee one item which appears to be somewhat out of line. I shall be quite frank and say that, on requesting information throughout the sittings of the committee, we had very clear answers as to the expenditures involved. However, I should like to mention the fact that the total law costs in items 289 and 290 are up from $220,000 to $335,000. That is an increase of $115,000 or over 50 per cent. There was an explanation—

Mr. McCann: Mr. Chairman, may I interrupt the hon. gentleman for a moment?

Mr. Monteith: Yes.

Mr. McCann: In discussing these estimates in former years we took them, as a rule, in two divisions. It is well known that the Department of National Revenue is made up of two divisions, one being customs and excise and the other taxation, each with its own deputy minister and its own administrative staff.

I agree entirely with what the hon. gentleman has said so far, but the item that has been called has to do with the general administration of customs and excise. In the interests of good order and in accordance with the former procedure, if we deal with customs and excise estimates first and then come to taxation I think we would probably get along much faster. The officials I have before me have to do with customs and excise. They probably know little with regard to the taxation division and probably would not attempt to give any answers with reference to it. If the hon. gentleman would just wait until we clear the other division and then make his remarks with reference to taxation, it would suit our convenience much better.

Mr. Monteith: That is perfectly all right, Mr. Chairman. I would just say this in passing. I have not many remarks to make concerning the customs and excise division other than that we had a full explanation from the officials of the department. It was evident that there had been a definite increase in the volume of business. As a consequence the staff has had to be enlarged.

[Mr. Monteith.]

I should, however, like to say this, and I think this comes into the over-all picture and probably could be mentioned at this time. I should like to point out my remarks as recorded at page 853 of the proceedings of the estimates committee. This was on Tuesday, May 29. These remarks are to be found at the end of the committee meeting, actually, but my remarks had to do with the over-all picture of the department, including the customs and excise division and the income tax division. These were my remarks:

> Mr. Monteith: I would just like to make an observation. I notice the estimates for 1952-53 for the whole department were $49,714,000-odd, whereas the actual expenditure was $47,313,000-odd dollars. In other words, the excess of estimates over expenditures was roughly $2,400,000. There was an excess of estimates over expenditure in 1953-54 of $1,200,000, and in 1954-55 of $1,700,000-odd. My only thought was that this worked out to an average of around 3 per cent, and I think Mr. Sim mentioned that figure in his evidence. It occurs to me that if we had an excess of estimates over actual expenditures in all government departments on total estimates of $4,500 million there would be an estimated surplus of something in the neighbourhood of $135 million. I am just wondering if that is close enough estimating. I know it is nice to have a cushion, but I am wondering if the taxpayer likes you to have a cushion to that degree. There would also probably be supplementary estimates.

I shall read what the minister said in discussing that:

> Hon. Mr. McCann: We submit them, that is true. They are gone over by the treasury board and the Department of Finance and they consider them in their best judgment, but those are the amounts that are submitted.
>
> Mrs. Fairclough: Would it be fair to ask you how much of a cushion you had before the treasury board knocked it down?
>
> Hon. Mr. McCann: In some years we have had them cut down as much as 10 per cent. It depends a good deal on the department. There are certain estimates put in covering undertakings that we decide should not be gone ahead with this year, and out it comes.

My only point there, Mr. Chairman, is that although I realize that this estimating is done some time before and it is difficult to project it into the future, I do not see why the estimates should be continually over the expenditures. As I understand the evidence that was presented to the committee, even in the customs and excise division each year they have had more expenses than they had originally expected but they still have a surplus. In other words they must be definitely estimating for a surplus which, in my opinion, is not fair to the Canadian taxpayer.

Now, sir, I think that is about all I have to say in these opening remarks, but I shall come back later when the income tax division is being considered.

Mrs. Fairclough: Mr. Chairman, during the discussion which took place in committee I brought up an item which I should like to place on the record now. In the first instance I had spoken about exemption from sales tax for church publications, and at that time the minister made this remark as reported at page 736 of the committee report:

> Of course, this is a question of policy and, as you have already said, the matter was brought up when the finance estimates were up. Our estimates have to do entirely with administration. I can say that the matter has been given consideration, and when the bill is brought up this year I think you will see there is a change being made that in part at least will meet your request.

Now, Mr. Chairman, I wonder if the minister, since that date, has had anything further on this subject? I wonder whether the bill to which he referred is now on the order paper, and if not when we may expect it? In the same vein, I should like to ask him whether he has made any representations to the Minister of Finance, as he indicated he might do, with reference to the sales tax on chancel furniture.

Mr. McCann: I have brought the matter to the minister's attention, and if any changes are made they will be made when the Excise Tax Act comes up as a result of the budget discussion.

Mrs. Fairclough: This year?

Mr. McCann: This year.

Item agreed to.

Customs and excise divisions—
Ports—

287. Operation and maintenance, $24,616,357.

Mr. Green: On item 287 I notice there is quite a large increase of over $809,000, and in the supplementary estimates there is a further amount of $100,000, making an increase of nearly $1 million. Can the minister explain the necessity for such an increase?

Mr. McCann: This vote covers some 424 offices with a total staff of close to 6,531 persons, and shows a net increase over last year of $809,815 or 3·4 per cent. The objects under this vote which show an increase are principally salaries and wages, which increased by 4·6 per cent. Of this increase, $219,000 is for 75 new positions which have been provided to satisfy unforeseen demands for staff during the course of the next fiscal year. Incidentally, 20 of those positions have been filled up to February 29, 1956. The balance is to cover the salaries of 162 additional officers as well as the normal annual increases and some reclassifications.

Then in freight and express there is an increase of $5,000; publication of regulations, memoranda and annual report, $5,000; repairs and upkeep of buildings and works, $25,000; light, power and water charges, $2,000. If you break that down, the operation and maintenance vote shows a balance of appropriation not required—oh, that is something left over. That accounts for the principal increases.

The hon. member mentioned the supplementary estimates, vote 659, and that is for the continuation of construction of our facilities at Dorval and Malton.

Mr. Green: Why is it necessary to have such an increase in the personnel? I see that according to page 388 of the estimates book the number has gone up from 6,294 to 6,531 or an increase of about 240 employees.

Mr. McCann: That is very easily explained. It is the result of the five-day week. We have to have a six days per week service in most places, and in some places seven days per week. In addition, there is the increase in the normal business of the country in imports and the like, and it takes more people and more officers; it takes more people because the ordinary people do five days' work and you have to provide for the extra days.

Mr. Fulton: Does the minister's last statement mean that at most ordinary customs ports you can get things cleared on Saturday? That is not my impression.

Mr. McCann: No, but at border points it is sometimes very necessary to supply that service for more than the normal five days.

Mr. Fulton: That is true of the ordinary border crossing points and relates to vehicular traffic, but the bulk of the ordinary customs clearance that is usually done at one of the ports of entry, that is where large shipments would have to be cleared, is not done on Saturday. If I am correct, I cannot follow why the five day week would impose the necessity for this large increase in staff.

Mr. McCann: It is not ordinarily done on Saturdays. There may be special circumstances, such as repair machinery or something like that which is imported, where an officer would have to go out and clear it. The vehicular traffic is much greater on the weekends than any other part of the week. Approximately 16 million vehicles came through border points in the whole of 1955, and in order to service them it takes more people longer hours.

Mr. Nowlan: This question probably should have been raised on item 286 because it deals with the operation of the ports, but I should

like to draw a relatively minor matter to the attention of the minister. It has to do with the operation of the train between Boston and Saint John. The Canadian Pacific Railway has changed the operating schedule of this train—and I admit immediately that I have not personally had any experience with this whatever—and I have been told by people who have come off that train recently about the bitter complaints made concerning the hour at which they are awakened in the morning for customs inspection when coming from Boston to Saint John. Apparently there is a difference from what has prevailed heretofore in the operation of the train.

People have suggested that they believe it would be a relatively easy matter, and whether or not that is so is for the minister to determine, for customs inspection to be made more efficiently and certainly to the better convenience of the large number of passengers coming from Boston to the maritime provinces. I am drawing it to the minister's attention. I know he will ask to have a report made, and possibly something can be done to improve the situation.

Mr. McCann: Mr. Chairman, we will take note of that objection, look into the situation and try to improve it.

Mr. Green: Mr. Chairman, in the details on page 388 it shows that the vote for the last fiscal year was $23,806,542 but the actual amount spent or estimated to be spent was $23,153,000. That is a difference of about $650,000 between the vote of last year and what was actually spent. In addition to that gap of $650,000 we have an increase of about $810,000 in this year's vote. That makes a difference of about $1,400,000 between the amount spent last year and the amount it is estimated will be spent this year. That looks as though there must be some padding, or just what is the explanation for that difference? The minister dealt with an increase of approximately $809,000 but there is another $650,000 to be explained.

Mr. McCann: Well, there are a couple of factors there, Mr. Chairman. It may well be that there have been delays in filling positions which we asked for; perhaps we cannot get the right type of people but we have to provide for them in the estimates. We have to provide for them because there is no other way of getting the money when you estimate in November of one year what you are going to need until a year from the next March. That is the way it is done; your fiscal year is the first of April to the end of March. You are estimating for about 18 months there. We base it on the average growth over the years and the number of people we will need. That takes up quite a lot in salaries.

In addition to that you have to make provision in your estimates for an increase in salaried positions for the period of the next 18 months, so all told it cannot be estimated to the dollar and nobody expects that. We do attempt, however, to estimate as accurately as possible based upon our experience in former years.

Mr. Green: Why would not the increase of $809,000 be added to what was actually spent in the last fiscal year rather than added to what you estimated for the last fiscal year?

Mr. McCann: Well, Mr. Chairman, that gives the actual expenditure and, as a matter of fact, that is good policy because we have saved money on what we received; yet we have to go ahead and provide for the normal increases there will be in position and wages. That is the principal item of all our expenses. If you go over them you will find this whole department is entirely administrative. I think 89 per cent of all the money we ask for is to pay in wages. Our next largest expenditure is to provide facilities in different parts of the country. Now, out in your part of the country we have spent money down at the Pacific highway. At Coutts, Alberta, it cost us about $1 million on account of changed conditions.

Mr. Green: That is not under this vote.

Mr. McCann: No, but I am referring to former years and the changes that have taken place because of changed conditions. As the result of the development of the oil field in northern Alberta trucks by the thousands come over United States highways, enter Alberta at Coutts and go up to Lethbridge, Calgary and on to Edmonton. That is a changed condition of transportation that has obtained over the years. That obtains not only in the case of freight transport but it obtains in passenger transport.

There are similar items at other places. Down at Lacolle in the province of Quebec we spent about $1 million for increased warehousing on account of the great traffic there from various states through Lacolle and Rouses Point and these other places leading into the city of Montreal. That obtains at Windsor, Fort Erie, Sarnia and at these places, Lacolle and Rouses Point; out in your country, at Coutts, Alberta and down the Pacific highway.

Last year I was down at the Pacific highway and I saw truckloads of cars going through there that had been exported by General Motors. They entered the United

States at Detroit, went clean across the country and came up north into British Columbia at the Pacific highway. We therefore have to have facilities to carry on that business, and it is increasing all the time.

Mr. Green: That is all true and we are glad to see the development, but what I am criticizing is the method of estimating. Last year the department estimated it would require $23,806,542 or—

Mr. McCann: Where is that, on page 388?

Mr. Green: Yes. The department spent $650,000 less than that. In other words you overestimated last year by $650,000. You must have known that all these developments were taking place; they did not all happen overnight.

Mr. McCann: But take the other item right above that, "Less amount recoverable from firms requiring special services, $500,000." No one could tell whether that was going to be $5,000 or half a million.

Mr. Green: But you estimated that you would need $24,306,542 and you only spent $23,153,000. This year you are estimating for $25,316,357, and I am just asking if it is not possible to get a little closer to the actual figures. It seems to me with a gap of $650,000 last year between what was voted and what was required the department may be quite a bit too high this year in the amount they are asking for. The Department of National Revenue of all departments should be able to estimate these figures accurately because this department has to raise the money.

Mr. McCann: Well, Mr. Chairman, it appears to me I am being criticized for saving money.

Mr. Green: No, you are being criticized for asking for more than you need.

Mr. McCann: Well, I know, but that is only $800,000 out of $25 million, and that is about as close estimating as you can do.

Mr. Green: But $800,000 is a lot of money.

Mr. McCann: Certainly it is, but what is it relative to? It is relative to the total expenditure we are asking here of $24,616,357, or $25 million without the receipts we take in. So I think that is as about as close estimating as I would ask the department to do. It works out better to have your estimates such that they will cover your expenditures than to have supplementary estimates or have to find some way of getting more money to carry on. There is a principle that is endorsed by the treasury board of changed allotments. We do not have the money in our department to switch it from one vote to another.

Mr. Green: If the minister goes through the estimates of the other departments he will find some of them are estimating a good deal more closely than this. I might say that other departments have been subject to criticism on the same point, and I think it will be found to run through the estimates of all departments. We find for example that last year a department asked for $1 million for an item and spent only $750,000; they come back this year and ask for $1,125,000. To the opposition it looks as though some sort of padding is going on. The net result is to budget for more money than is actually required. If these figures were brought more nearly in line it might be possible to reduce taxation.

Mr. Cameron (Nanaimo): Mr. Chairman, I do not know whether this is the right item to bring up what I have in mind. I have received representations from the Vancouver island turkey improvement association with regard to the tariffs on turkeys coming in from the United States. This is an ad valorem duty and they term it a fair weather friend, because the tariff is at its peak when it is least needed whereas the low rate operates when turkeys are overly abundant in the United States.

They present figures to point out that the expectation in the United States is to have an increase of about 6 per cent this year in the production of turkeys as compared with last year, which may well result in a surplus of turkeys in the United States. Because of low prices there the tariff on turkeys being imported will not be effective in protecting the Canadian producers.

Mr. McCann: May I suggest that this matter be brought up when the Minister of Finance is dealing with his items. We simply administer these things; and while I will not say it does not make any difference to me what is the tariff rate, the fact is that I am supposed to put it into effect whether it is 5 per cent or 105 per cent.

Item agreed to.

Customs and excise divisions—
Ports—

288. Construction or acquisition of buildings, works, land and equipment, $1,119,500.

Mr. Green: Would the minister explain this item.

Mr. McCann: The net increase in this vote over last year amounts to $249,350. The increase in this item is attributable to two factors, one of which is an increase of $167,500 over last year covering new construction of office buildings and temporary warehouses. The department intends to construct 11 office buildings and three warehouses at international boundary crossings at a cost of

$332,500, as opposed to our program last year which called for the construction of three new office buildings and alterations to three existing office buildings at a total cost of $165,000.

The other factor is an increase of $218,350 over last year covering a revote for office buildings and housing where the sum of $225,500 was placed in the estimates this year as opposed to $7,150 last year. The difference is accounted for by the fact that extremely inclement weather conditions prevented contractors from completing several projects, one of which was at Snag Creek, Yukon Territory, where the contractor was unable to commence a contract in the sum of $100,000 due to early winter conditions, and as a result the entire project had to be delayed until this year, when actual construction was only in its early stages.

Another reason was the inability to close property purchases in time to permit construction at certain points, notably Carway, Alberta and Aldergrove, British Columbia. As a result it was necessary to carry these projects over until this year. To offset these increases is a decrease of $100,000 in warehouse facilities at airports this year, and a decrease of $6,000 in our new construction of housing.

Major projects are referred to the Department of Public Works, and I have in mind that the Department of Public Works built warehouse facilities at Coutts, Alberta, and Emerson, Manitoba, but they do not undertake the construction of houses for the staff. These houses may run from $10,000 to $15,000. Take the case at Snag Creek in the Yukon Territory. This is only a little town and living accommodation was necessary, and construction costs in the Yukon are two or three times as much as in other places.

Mr. Green: Does the Department of Public Works do all the construction work for the Department of National Revenue?

Mr. McCann: That is just what I was trying to explain. They build any office buildings we may require but we have authority, either under the Public Works Act or from the treasury board, to construct buildings at border points in the way of temporary quarters or housing accommodation.

Mr. Green: Why should not that be done by the Department of Public Works, especially when Central Mortgage and Housing Corporation is under that department?

Mr. McCann: They have expressed the opinion that they do not wish to take on these smaller jobs.

Item agreed to.

[Mr. McCann.]

Customs and excise divisions—
Ports—

659. Construction or acquisition of buildings, works, land and equipment—further amount required, $100,000.

Mr. Green: Is this for work at Dorval?

Mr. McCann: Yes.

Item agreed to.

Taxation division—

289. General administration, $2,702,629.

Mr. Monteith: The estimates committee dealt in some detail with the estimates of this department, and as a consequence I do not intend to ask too many questions concerning the individual items. However, I would like to point out that the law costs under item 389 have increased from $80,000 to $165,000, and under item 390 from $140,000 to $170,000, a total increase from $220,000 to $335,000. The increase amounts to $115,000 or over 50 per cent. When we queried the minister in committee we were told that there were one or two special cases. This is quite a sizeable increase and possibly the minister could give us some more details.

I understand that these law costs are involved in different places across the country where the department has instigated proceedings. I am wondering how the representatives of the legal fraternity are chosen, if there is a preferred list from which the lawyers are picked. It appears to me that the thinking of the Department of National Revenue, taxation division, has changed considerably in the last number of years. When a taxpayer or his representative went to the district office he received every courtesy, which is still the case, but there seems to be a change of thinking. Now it is, how much can we get?

The taxpayer should pay his just tax—there is no complaint about that at all—but when there is any give or take, as there is upon occasions, I am quite sure he does not very often get the benefit of it. I am not suggesting that the department should assist the taxpayer in making out his tax return. We appreciate that that is not right. He is supposed to be given assistance and advice and that sort of thing, but the various district officers of the taxation department work on directives to quite a degree, I would say, from the head office. They must come from the head office. These are supposed to be interpretations of the Income Tax Act and rulings by the department.

There has been a tendency, in recent times at least, no doubt as the result of directives to the various district offices, as to how to interpret capital gains. As a result, in some instances we almost have the capital gains tax despite what the various ministers of

finance have said over the past few years to the effect that we do not have one and they are not in favour of it. When inquiry of the minister was made on this matter he maintained that all the departmental officials did was to follow the letter of the act.

In questioning the minister we came to the conclusion that possibly he would be in a position to offer advice to the Minister of Finance as to changing some of the provisions of the Income Tax Act. Several times we suggested to him that he take up this matter with the Minister of Finance. There were several instances in the evidence where he admitted there were inequities as regards the collection of taxes and perhaps as regards the actual rulings or the interpretations placed on them. If they need clarification, I think the Minister of National Revenue should advise the Minister of Finance that these items should be clarified.

If the departmental officials' rulings did not result in costing the taxpayers money, possibly nobody would complain, but I contend that some of the money that the taxpayer has to pay in his own defence is unnecessary. In an appeal board case the taxpayer puts up his $15. If he wins his appeal he is refunded his $15. In the meantime he has perhaps had legal and accounting advice costing him, we may say, hundreds of dollars, and I am given to understand he is not permitted to deduct those expenses in future years. The minister might correct me if I am wrong in that, but I think that evidence was given.

I had the feeling in the committee as we went through these various items and through the discussion periods that although many times we contended that the Department of National Revenue should advise the Department of Finance on certain corrections in the interpretation or in the actual wording of the act so the interpretations would be more just and equitable, there was a reluctance on the part of the department to so advise. In fact I almost felt as though it did not want them to be corrected. There seems to be an atmosphere—as a matter of fact it is the case—in the department that the taxpayer is actually guilty until he proves himself innocent. This is far from what we have always considered as ordinary British justice, in that it has always been felt that any person is innocent until proven guilty.

We mentioned in the committee a few instances of what we felt were inequities. We suggested to the minister that he bring these to the attention of the Minister of Finance. As one small item, I am given to understand that an actor who is working on salary and is on tour cannot deduct the expenses of his tour. The minister was intimating that he was allowed his expenses, that he got an increased salary because of the simple fact that he was not allowed to make deductions. However, he is paying tax on that increased amount. In other words he has to pay tax on what would be considered additional increment for travelling expenses.

There was another point that we brought to the attention of the minister, and it seems to be a question of a ruling. The departmental officials admitted that a party willing a farm to his son is allowed at present a fair market value, whereas if a farmer sells to his son the son cannot deduct depreciation of an amount greater than the residual value, one might say, in the father's hands. There is no doubt that this is penalizing the son. I understand that the minister has intimated that some adjustment has been or is being recommended to the Department of Finance, but the whole thing is so ridiculous that I think it is high time something was actually done.

I should like to say a few words on the iniquitous net worth system of collecting taxes, and it applies to all people, not only to farmers. First of all I should like to mention to the minister that I quite realize that he and his departmental officials have a very tough job and a very unenviable one. After all, collecting taxes is coming close to a man's pocket, and he does not like it. I realize that they meet circumstances which the average person in business possibly does not meet, because the taxpayer sometimes feels he does not get full value for his tax. However, I am not concerned, in speaking of net worth, with the treatment of a case after it has actually got into the chief assessor's hands in an income tax district office. As I say, one gets very courteous treatment from the officials. I realize that they will listen to reason when it can be shown where a previous statement made was not correct or had been misunderstood by an inspector who had made the original assessment, and that sort of thing is very frequently adjusted.

I am not so much concerned with the taxpayer who has had legal or accounting advice from the beginning of the case. If he has been advised by his lawyer or his accountant, then I think it is up to the lawyer or accountant to shoulder any responsibility. I am not concerned about that taxpayer, but I am concerned about the individual taxpayer who has not filed a return. Perhaps he should have filed the tax return, and perhaps he has never filed one. Very frequently many of them are not actually taxable. However, the taxation department inspector or some official in the district office who keeps files on all

sorts of things, thinks that a certain resident of a community should be paying taxes. He probably gets a demand for a tax return for one, two or three years, and he files it. He is a farmer and he is entitled to file on the cash system. He does not appear to have to pay any tax on that basis. The cash system shows that he should not pay any tax. However, the department may have some further reason for thinking he should, so an inspector goes to visit the man. The inspector, failing sufficient documents and records covering the past few years, undoubtedly will undertake to make up a net worth statement. He asks questions as to the date of purchase of equipment, the farm and that sort of thing.

One of the purposes of the questions is to prepare a depreciation schedule so the farmer can actually be allowed proper depreciation when the time comes to prepare his net worth statement. However, I do not think sufficient questions are asked as to what possible disposals the farmer may have made of machinery or equipment, which disposals are capital gains and not taxable.

Then we come to living expenses. I do not know of any particular case myself but I have heard some pretty gruesome tales of things that have happened such as the inspector making a tour of the house and all that sort of thing without the owner's consent. But I do know that many personal questions are asked as to what the man has spent.

In this connection we have to remember that the inspector is dealing with somebody who has not had any previous experience with this sort of thing and no doubt he is frightened stiff because the inspector is there. First of all he should be put at his ease and should have things explained to him by the inspector. When the inspector is asking him what money he may have spent personally I think he should point out to the man the simple fact that the more he claims to have spent the more it is going to cost him taxwise. The average person does not understand that and I think that is a simple courtesy that should be extended. I do not believe it is done. From the evidence we receive I understand it is not.

A summary of the various living expenses is detailed, and let us not forget that it is probably all done very hurriedly. The inspector has not spent two, three or four days there. I imagine he has spent a morning, and then moves on to some other place in the afternoon. But the inspector may have covered a period of six years. He has asked these questions, has got a list of so-called living expenses, and the farmer is asked to sign it.

[Mr. Monteith.]

I am quite free to admit that I have known instances where, after the farmer has signed one of these statements as to his living expenses, the amount has been changed. If he can prove that he was wrong in his guess as to a certain item, that a certain medical bill was paid or something like that, that is quite all right. The department will change the amount. But at the same time there is no doubt that once the farmer has signed the statement there is something there that is used upon occasion.

I admit, as I say, that I have known cases where the assessment has been prepared and then changed after somebody has been able to prove something to the satisfaction of the department, but I have also known cases where the assessor has intimated to the taxpayer that he may have something there but if he changes it the department will change his living expenses so the amount of tax may well remain the same as in the initial assessment. To me that is absolutely wrong, and I think it should be stopped. I am not saying anything against these inspectors as individuals other than I do not think they know what they are dealing with. I do not think they know the problems of the farmer. I doubt if very many of them have ever lived on a farm. I do not think they realize how a farmer lives. He does not live as a city man does. He does not spend money on personal living expenses. He does not wear the same kind of clothes, because he does not have to in his particular occupation.

I believe these inspectors should have a better knowledge of the industry with which they are dealing when they set out to make up one of these net worth statements. My contention is that the average farmer, unless he is specializing in some particular cash crop or in poultry, beef cattle, fur farming, or something of that nature, does not do any more over his lifetime than pay off his mortgage. As a consequence I think there are a great number of farmers throughout the country who are being victimized, one might almost say. I believe that the average farmer, the average citizen, wishes to pay his tax just as much as any inspector might wish him to, and he wants to pay his just tax. Finally, Mr. Chairman, I should like to suggest that the department should readjust its thinking to a point where it will not believe that every taxpayer is guilty of evasion.

Mr. Thatcher: Mr. Chairman, before this item passes I should like to appeal to the minister to clarify the government's position on capital gains. As he knows, this matter came before the estimates committee but I for one felt that the explanation still was not

clear enough. Hon. members know that in Canada we have never officially had a capital gains tax. We have not had such a tax because it has been felt that in a new, developing country every encouragement should be given to venture capital, and I think that is a sound attitude. If we had a capital gains tax today risk capital would probably be discouraged.

Several months ago the Minister of Finance made a public statement to the effect that the government's attitude toward a capital gains tax had not recently changed, but I cannot help wondering whether the officials of the department we are now discussing read that statement or are aware of it, because fears have been expressed recently in many quarters that without any new authority from parliament the department has been pursuing a policy which could alter completely the concept of taxable income in Canada. Recently, as was pointed out by the hon. member for Perth, there have been examples of the Department of National Revenue taxing gains or profits made on real estate transactions, and there have been examples where the department has taxed profits made in the stock market. I think there have been examples where the department has taxed profits made in the buying and selling of mortgages.

I think most Canadians and most members of parliament have considered up to now that this kind of profit was a legitimate capital gain, and they cannot understand why such gains should be taxed. The income tax laws in the past, unwisely I think, have given a good deal of leeway to the departmental officials to decide what is capital gain and what is income. Until recently I think the departmental officials have been fairly liberal in interpreting the law, but in the past few years they seem to be getting a little bit stiffer in their attitude, and I believe there is a very real fear in the country today that Canada may be getting a capital gains tax not by any act of parliament but through the interpretation given to the law by the taxation officials.

There are certain judicial decisions which have tended to increase those fears. Because our laws at the present time do not define capital gain and do not define income, the Canadian courts appear to have been extending the concept of business transactions subject to income tax.

Mr. Chairman, what I want to say is this. If we are to have a capital gains tax, then let parliament pass the law bringing it in. I do not think it should be brought in by any back-door method. I would call on the government this afternoon to give a clear-cut definition—by statute if necessary—as to what is capital gain and what is income. Then the people of Canada would know where they could go from there. In other words, I think the government should spell out precisely what are the definitions of these terms. I would appreciate it if either the Minister of National Revenue or the Minister of Finance would comment on that matter, and I wish they would do it this afternoon.

Mr. Zaplitny: Mr. Chairman, first of all I want to express my agreement with what the hon. member for Perth had to say about the net worth statement, particularly as it referred to farmers. It has been my experience as well as his—and perhaps it has been that of others who have had something to do with assisting farmers in making their returns —that in many cases the farmers have been victimized by a lack of knowledge on the one hand of what is required and on the other hand by officials who were a bit too arbitrary in setting down in the net worth statement their own interpretation of the values on the farm.

There are two chief ways in which, in my opinion, the assessments are made higher than they should be in regard to net worth statements, namely the overvaluation of the buildings and equipment which are found on the farm at the end of a particular period, and the undervaluation of the equipment and, in some cases, buildings that were disposed of during the period in question. There is also the question of the cost of living. I think that is a real injustice which would warrant a fairly close look by the department, where inspectors take it upon themselves to decide what the farmer's cost of living is over the years.

I have examined personally a good many net worth statements in the last five or six years, and I can say that in almost every case they have materially overestimated the real cost of living of the average farmer. There are exceptional cases, of course, always. There may be some farmers who are in the habit through necessity, of spending a great deal more money than others; but on the average I have found the tendency to be to overestimate the farmer's cost of living. The difficulty arises here because no farmer—nor, I suspect, is any other person—in our country is in a position to go back five or six years and prove to the inspector or to the department what his actual personal expenditures were. People have become more or less conscious of the necessity of keeping records of their business transactions, whether it is on the farm or elsewhere, because they realize that is part and parcel of their income tax return. But no one has been in the habit of keeping a very close track of his personal

expenditures. And when it comes to the point of the farmer's word against the word of the inspector, the department naturally will accept the word of their own officials. I think some real injustices have resulted with regard to these net worth statements on account of the factors I have mentioned, as was very well set out by the hon. member for Perth.

However, there is another angle with regard to this item that I wish to pursue at this time. It arises out of a question asked in this house by the hon. member for Winnipeg North Centre on April 9 of this year. The question will be found at page 2729 of *Hansard*. I shall read the question and the answer in order to set out the background clearly. On that occasion the hon. member asked a question of the Minister of National Revenue in these words:

> Mr. Speaker, may I direct a question to the Minister of National Revenue. Will the minister re-examine the income tax files of the breweries of Manitoba to ascertain whether any of them claimed income tax deductibility for the contributions they made, as revealed in Winnipeg last week, to the Liberal, Conservative and Social Credit parties of Manitoba?

At that time the minister replied as follows:

> I can comply with the request of the hon. gentleman but I doubt very much whether I can give him information about other people's business.

Then as a supplementary question the hon. member for Winnipeg North Centre asked:

> May I make it clear that I did not ask the minister to give publicity to information that is secret by law. I asked him if he would examine the files to ascertain for the benefit of the treasury whether or not such deductibility was claimed by the breweries of Manitoba. May I assume the minister will conduct such an examination?

The minister's reply was this:

> Mr. Speaker, I understand the question and will take it into consideration.

No doubt the question is still under consideration and will be under consideration for some time to come. At this time I think it would be only fair to the minister and to the hon. member for Winnipeg North Centre to set out the background upon which his question was based. I think it is also necessary to point out certain things to the committee and to the minister because of the fact that ministers do not seem to be aware of the basis upon which these questions were asked. I find that on the same day I directed to the Minister of Justice a question in the following terms:

> Mr. Speaker, may I direct a supplementary question to the Minister of Justice. Is the minister aware of any financial contributions made by the breweries to the party with which he is associated?

The reply I received was:

> Mr. Speaker, the answer is no.
>
> [Mr. Zaplitny.]

It was to me a rather astounding answer, because for a week or ten days prior to that time, we had been reading newspaper headlines and hearing over the radio about the rather astounding developments in Manitoba with regard to these contributions. Yet one of the ministers of the crown gives the answer that he was not aware of it.

In case the minister may think this has to do only with the situation in the province of Manitoba, may I refer to the statement made by the representative of the breweries in giving evidence before the committee of the Manitoba legislature on April 6, 1956. I shall not read it all. If the minister wishes me to do so I will send it across to him. In that statement you will find that the representative of the breweries stated that not only did the breweries of Manitoba make cash contributions to the political parties within the province of Manitoba but that they made them also to the federal political parties. That immediately, of course, involves the consideration of this parliament.

I think it is a perfectly fair question to ask whether the minister and his department have in fact carefully and scrupulously checked the income tax returns of these breweries—and the same, of course, applies to any other corporation which makes financial contributions to political parties—in order to make sure that they did not do this at the expense of the taxpayers of Canada. I personally suspect very much that not only are the breweries of this country and some of the other corporations using undue influence upon the political parties in this country, but that they are doing so at the expense of the public treasury. I believe that, in fact, they are claiming deductibility from income with respect to their income tax for moneys spent either in cash or perhaps to a greater extent in some of the huge advertising campaigns they put on in order to assist the political party of their choice, which expenditure is marked down as advertising from a business point of view but which is not really advertising at all but is propaganda in the pure sense of the word.

In case the minister or the committee is in doubt about what happened in Manitoba, may I refer them to some of the newspaper headlines. For example, the Winnipeg *Free Press* of April 4, 1956, carried this headline, "Breweries Bare Gifts to Three Parties; All But C.C.F. Shared $28,075 since 1945". May I point out that this $28,000 was raised to about $30,000 later, and that refers only to contributions made to political parties within the province of Manitoba. The figures with respect to contributions made in the larger field to the federal parties were not revealed,

because the evidence was given before a committee which had to do with liquor profits in the province of Manitoba.

May I just comment that the thing that struck me when I read this headline was the reference to "gifts" to the three political parties. I think that was a rather unfortunate use of the word "gifts", because I do not consider these moneys as gifts at all, and I am sure the political parties concerned did not either. They could be more correctly described as cash advances to the political parties concerned, and particularly the Liberal party because the next headline is in the following terms: "Liberals Got Lion's Share of Donations". It was revealed to the committee that they got 59 per cent or $16,400 of the total.

These financial contributions to political parties are made for a purpose. None of us is so naive as to think for a moment that this is done out of the goodness of heart of the breweries or any other corporations because they have so much money they do not know what to do with it, and so they decide to give some of it to the political parties. The fact that none of it was asked for or given to the C.C.F. indicates it is being done for the purpose of promoting the political parties of their choice. Incidentally, I mentioned the two major political parties, the Liberals and the Conservatives, but there was a small amount for the Social Credit party, about $500. Considering that they have not been in power in Manitoba or Ottawa, I suppose you could put that down as unearned income.

I would say this, that the breweries involved broke no law when they made financial contributions to the political parties of their choice. They are permitted to do so under the elections act, provided there is no evidence to show that they either asked for or were promised any economic considerations for the moneys they turned over to these parties. But there is a moral side to it. There is a moral law which is even more important, and that is to what extent are these breweries, such as the ones in Manitoba which deal directly with the government and were instrumental in influencing the government to set a price for beer which resulted in four breweries making a profit of over $18 million—

Mr. McCann: This has nothing to do with a discussion of the administration of the taxation division. I can make a statement in 10 words that will clear up this point. It is to the effect that political contributions are not a deductible expense of doing business for any organization in this country.

Mr. Zaplitny: The statement may be in 10 words or it may take 10 hours, but so far as I am concerned that is not the question. The point I am getting at is that these breweries are making these contributions to the political parties of this country, and in my opinion there is a danger that they are padding their expenses with regard to income in order to hide that money which is going out in the form of contributions.

The minister says it is not deductible. We have attempted on several occasions to find out from the minister whether any attempt has been made, without asking for the names of the corporations or the breweries concerned, by these corporations to claim deductibility. The minister has refused to answer. Apparently on April 9 the minister was not as sure as he claims to be today, because then he said he would take the matter under consideration. If he were going to take it under consideration on April 9 of this year, it would indicate he had not given it any consideration before that time. I think that statement by the Minister of National Revenue on April 9 was an admission that the department and the minister had not given proper consideration to that situation, but had in fact neglected the public treasury by leaving the door open to these breweries to make political contributions to these three political parties, for the purpose of influencing these parties.

Now, I hope that in the future what the minister has just stated will be strictly adhered to and carried out. I hope the minister can assure the house that no corporation, or any other business for that matter, will have the privilege of using their income for the purpose of making cash contributions or paying for huge advertisements which are, in fact, propaganda and not business advertisements, and then deducting that amount from their income in order to reduce their taxable assessment and reduce the amount of taxes which should go to the public treasury.

I want to make it quite clear that I do not think it is moral or right that the huge corporations of this country should make large amounts of money available to the political parties. I do not think it is a good thing for democracy that the political parties of this country should be influenced by the huge monopolies in this country. At the same time, it is adding insult to injury when you realize it is possible for those corporations to do that and deduct the amount from their income and thus make the public treasury pay for the propaganda which they are putting out in favour of the parties of their choice.

Item stands.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with these estimates tomorrow and then take labour, and then national health and welfare.

Mr. Barnett: May I ask the Minister of Finance to repeat what he said? Did he say the estimates of the Department of Labour?

Mr. Harris: National revenue, labour, and national health and welfare.

Mr. Barnett: The reason I raise the question is that I understood the labour estimates were going before the estimates committee.

Mr. Harris: They have been, and they have been returned.

Mrs. Fairclough: Is the minister aware that the estimates committee is sitting on labour estimates tomorrow morning?

Mr. Harris: Yes, Mr. Speaker, that has been fully understood among the parties, that the labour estimates we would consider would not include the unemployment insurance commission.

Mrs. Fairclough: I do not know how you are going to stop it.

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

ANSWER TO QUESTION

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

JEAN ROGER DURANT

Question No. 413—**Mr. Dufresne:**

1. Is Mr. Jean Roger Durant, of Loretteville, Quebec, an employee of the Department of Agriculture?
2. If so, has the department authorized his acceptance of the position of secretary treasurer of the town of Loretteville, Quebec?
3. Is the department aware that the said Jean Roger Durant is the owner of a firm known as Durant Import and Export Registered?

Answer by: **Mr. McCubbin, Parliamentary Assistant, for the Minister of Agriculture:**

1. Mr. Jean Roger Durand, Loretteville, Que., is an employee of the Department of Agriculture.

2. Mr. Durand's acceptance of the position of secretary treasurer of the town of Loretteville, Que., was authorized by treasury board minute 350483 of March 25, 1948, which directed exemption from order in council P.C. 71/751 of March 29, 1939, as amended, respecting outside employment by government employees. Mr. Durand's duties in this capacity are carried on in the evenings and require approximately 7½ hours per week.

3. The firm of Durand Import and Export Registered was registered by Jean Roger Durand at the Quebec superior court on September 10, 1954, and cancelled at that court on July 14, 1955. On the same date the firm was registered in the name of Julienne Bastien Durand, wife of Jean Roger Durand.

[The following items were passed in committee of supply]:

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

285. General administration, $3,348,014.
286. Inspection, investigation and audit services, $3,548,580.

Ports—

287. Operation and maintenance, $24,616,357.
288. Construction or acquisition of buildings, works, land and equipment, $1,119,500.

Customs and excise divisions—

Ports—

659. Construction or acquisition of buildings, works, land and equipment—further amount required, $100,000.

HOUSE OF COMMONS

Thursday, June 14, 1956

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Eleventh report of standing committee on miscellaneous private bills.—Mr. Henderson.

Fifth report of special committee on estimates.—Mr. Nixon.

FREIGHT RATES

COAL—INQUIRY AS TO POSSIBLE INCREASE IN SUBVENTION

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I address a question to the Minister of Mines and Technical Surveys. Has the minister been advised that the recent interim increase in freight rates granted to the railways will add 25 cents per ton to the cost of moving Nova Scotia coal? Is it the intention of the dominion coal board to add to the subvention a sufficient amount to offset the increase in freight rates?

Hon. George Prudham (Minister of Mines and Technical Surveys): No consideration has been given to that as yet.

Mr. Gillis: The reason I ask is that it has been the practice in the past.

ATOMIC ENERGY

CANADIAN ATTITUDE TOWARD POSSIBLE POSTPONEMENT OF FURTHER NUCLEAR TESTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct one question to two ministers, the Secretary of State for External Affairs (Mr. Pearson) and the Minister of National Health and Welfare. In view of recent statements by scientists concerning radioactivity and its effect on human beings, could these ministers tell the house whether any further consideration is being given—I put this to the minister to my right—to the Canadian government opposing further nuclear explosions and—I put this to the minister to my left—will a further statement be made as to the effect of such things as X-rays, and so on, on human beings?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my colleague the Secretary of State for External Affairs (Mr. Pearson) suggests that I might deal with both questions. With regard to the question addressed to him, as he has indicated previously, in the proposals which were recently discussed in the subcommittee of the disarmament commission in London and in the discussions which took place in that committee last fall at the United Nations, it was clearly demonstrated that the United States, Great Britain, France and Canada gave support to a plan which would provide for the banning of tests within the limits of a comprehensive scheme of disarmament which would work without prejudice to the security of the nations concerned under an adequate system of inspection and control.

With regard to the health aspects of the problem, the situation is that there is now in existence a special scientific committee, created by the United Nations, of 12 states, of which Canada is a member, represented formerly by the late Dr. Cipriani, and now by Dr. Watkinson of the department which I administer.

In addition to that, the Department of National Health and Welfare makes assessments, along with other departments of the government and with the United Nations agencies, to determine the extent of the levels of radioactivity normally produced or produced through recent atomic detonation tests. There is no reason for believing that the health of the people of this country or of other countries has been affected in a way that would cause serious concern. This matter, however, continues to receive careful study and assessment.

Mr. Knowles: May I ask a supplementary question? I wonder whether the minister would consider making before the end of the session a comprehensive statement on this matter, bearing in mind the recent pronouncement made by scientists, not only with respect to atomic and nuclear explosions but with respect to the frequency with which some people submit themselves to X-rays of their feet when buying new shoes and other similar practices.

EXTERNAL AFFAIRS

COMMUNIST CHINA—INQUIRY AS TO POSSIBLE RECOGNITION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Ordinarily I would direct this question to the Secretary of State for External Affairs but.

in view of the fact that the Prime Minister will be attending the commonwealth prime ministers' conference and there is reference in the press to the effect that there will be a reappraisal there of the attitude of the several commonwealth countries towards the recognition of communist China, would the Prime Minister say what Canada's attitude before that conference will be in connection with that problem?

Right Hon. L. S. St. Laurent (Prime Minister): I would not like to make any definite commitment. Of course, we have these conferences for the purpose of obtaining further information and endeavouring to increase such wisdom as we may have about what is best to do in the general interest of the free world. I doubt that we could reach the conclusion that there should be immediate recognition of the government of the republic of China.

An hon. Member: We hope not.

PIPE LINES

REFERENCE TO STATEMENT ON TELEVISION PROGRAM

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. Does the Prime Minister agree with what his colleague the Minister of Trade and Commerce (Mr. Howe) said on the television program "Press Conference" last night in dealing with the recent pipe-line legislation? I have his words: "We violated the rules."

Some hon. Members: No.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I said no such thing.

Right Hon. L. S. St. Laurent (Prime Minister): My impression was that my colleague said that we violated no rules.

Mr. Rowe: That is not the impression the public got.

Mr. Fleming: A belated amendment.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF NATIONAL REVENUE

Taxation division—

289. General administration, $2,702,629.

Mr. McCann: Before we begin today's discussions with reference to the estimates of the taxation division, I think it might be well if we were to clear up some of the points that were raised before we adjourned last evening.

[Mr. Diefenbaker.]

A question arose with reference to law costs, raised by the hon. member for Perth. In the two votes which you have to consider we are asking for a total of $335,000 for law costs, which represents an increase of $115,000 over what we asked for last year. However, $85,000, or 75 per cent of the increase, was requested to cover the probable maximum fee and costs we would have to pay in connection with the Anaconda appeal which was at that time pending before the privy council. The Anaconda case is one of the most famous cases that we have had to deal with and the final appeal in the matter went before the privy council. I might say that the decision rendered by the privy council was in favour of the Department of National Revenue with reference to the stand it had taken relative to the taxation of this company. If the decision in that case had been rendered against the Department of National Revenue the costs might possibly have been $100,000.

The remaining 25 per cent of the increase is requested in the light of actual expenditures at the time that our estimates were prepared. Careful consideration of the expected number of legal actions indicated that we should provide for an increase of about 10 per cent over the actual expenditures for the previous fiscal year. It is worth noting that last year in the district offices we spent more on law costs than was provided in our estimates. While I am dealing with that particular case, I might say that the total costs in the Anaconda case were $34,976, approximately $35,000. We have provided in the estimates for $85,000 so that we have provided for $50,000 more than we have been actually called upon to spend. It is my intention when we come to the conclusion of the discussion of the item to have one of my colleagues move that this resolution be amended so that item 289 may be reduced by the amount of $50,000.

With reference to legal agents, another point brought up by the hon. member, as hon. members know, litigation on behalf of the government is the responsibility of the Department of Justice, but actually when the Department of National Revenue requires an outside lawyer to take action or to defend it in some proceeding taken against the department it would request assistance from the Department of Justice. In this way the Department of Justice would choose the lawyer to act as its legal agent. The expenses incurred by the Department of Justice are charged against the department for which the work is done. That is the general procedure, so that we have to provide for those costs.

Another item was changes in the act. The hon. member for Perth has repeated certain

items which were mentioned in the hearings before the special committee where the operation of the law seemed to work hardship on certain taxpayers or where there was uncertainty as to its application. My officials are more or less in continual discussion with the officials of the Department of Finance on matters of this kind, and they are all carefully reviewed when the budget is being prepared. I have taken note of the items raised before the special committee and they will be brought to the attention of my colleague, the Minister of Finance, prior to the next budget.

With reference to the matter of net worth assessment, the member for Perth has again brought up the question of assessing income tax on a net worth basis. I have spoken on this matter from time to time over the years and I made a rather complete statement on it which is to be found in *Hansard* of June 23, 1954, pages 6597 to 6600. In his testimony before the special committee the deputy minister indicated that the department does not favour this method of assessment where an assessment based on actual facts is possible. However, the department does have a responsibility to see that all taxpayers discharge their proper liability and in the absence of books and records assessment on the net worth basis is often the only way open to the assessor. The assessor is instructed to use this basis only when all other methods of determining the correct income and tax liability fail and to explain the method to the taxpayers when it is used.

Another matter which was brought up had to do with capital gains. The hon. member for Perth and the hon. member for Moose Jaw-Lake Centre suggested that the department was improperly trying to tax certain profits commonly known as capital gains. First of all, I should like to reiterate that the taxation division has purely administrative responsibilities. It does not make law. It only applies the Income Tax Act and the Dominion Succession Duty Act according to the terms in which those two statutes have been passed by parliament. Naturally, in interpreting the wording of these statutes the law officers of the division must try to find the meaning that the courts would give to them. As cases go to the courts and decisions are rendered, they are given indications which assist them in their interpretation.

The distinction between capital gains and business profits has not changed over the years. The difference was well explained by Lord Justice Clark in the case of California Copper Syndicate *v.* Harris in the British courts in 1904.

Mr. Knowles: Which Harris?

Mr. McCann: He said this, and I quote:

> It is quite a well settled principle in dealing with questions . . . of income tax that where the owner of an ordinary investment chooses to realize it and obtains a greater price for it than he originally acquired it at, the enhanced price is not a profit . . . assessable for income tax. But it is equally well established that enhanced values obtained from realization or conversion of securities may be so assessable where what is done is not merely a realization or change of investment but an act done in what is truly the carrying on, or carrying out, of a business. The simplest case is that of a person or association of persons buying and selling land or securities speculatively, in order to make gain, dealing with such investment as a business and thereby seeking to make profits . . .
>
> What is the line which separates the two classes of cases may be difficult to define and each case must be considered according to the facts; the question to be determined being—"is the sum of the gain that has been made a mere enhancement of value or realizing a security, or is it a gain made in the operation of business in carrying out a scheme of profit making?"

That is the end of the quotation. This quotation has been cited repeatedly in subsequent cases both by the English and by the Canadian courts. It has been repeatedly said that each case must be determined on its own merits. The courts take into consideration various factors which include the intention of the taxpayer, the number or frequency of the transactions, the relation of the transactions to the taxpayer's regular business, the nature of the transaction and the course of conduct of the taxpayer. None of these factors are deciding in themselves but all the circumstances must be regarded as a whole.

I do not think that the courts have had greater difficulty in deciding these matters than they have with other legal problems which are continually coming before them. Perhaps there has been more interest in the matter in recent years because the income tax appeal board has provided an easy method of settling differences between the taxpayer and the department and the period of high prosperity through which we have been passing has given many people an opportunity to make side profits in property dealings.

In that connection, Mr. Chairman, the *Canadian Tax Journal* of November-December 1955 has a very interesting article called "The Capital Gains Scare". It is written by Robert Tresilian who I presume is an anonymous writer. I am not going over the whole of the article, although it is very interesting reading for anyone who is interested in this particular subject. However, I should like to quote this much:

> Some weeks ago the press reported that a case was to be heard shortly by the tax appeal board in which an appeal was to be made from an

assessment on gains made in the stock exchange. Though no such case has yet been reported, the press announcement appears to have caused a minor panic.

I think most hon. members are familiar with the law of the United States where there is a tax of 25 per cent on capital gains throughout the year. I am not going to go through the whole of the article, but I am going to read the conclusion which is very significant to me at least.

To conclude, it would appear that the concern expressed by the press is unfounded. The few court decisions to which references have been made are merely evidence of the process of separating the wolves from the flock, the former—being those enterprising persons who attempt to wear the sheepskin of the ordinary investor, while carrying on the ordinary trading, businesses or ventures which the law has always declared to be taxable.

In addition, Mr. Chairman, there is the question asked by the hon. member for Dauphin (Mr. Zaplitny) with reference to the deductibility of donations for political purposes. I have announced the policy of the department, and that has been the policy of the department during the past 11 years I have been there. He referred to the question asked by the hon. member for Winnipeg North Centre, and the reason I gave the answer I did that day was that I did not hear the whole of the question. But that is the general principle which has been followed, and I have discussed it with every deputy minister I have had. It is the policy which has been carried out. After a firm has paid its taxes, if it wishes to make a donation for political purposes it is not my concern what they do with the money or to whom they give it.

The Chairman: Did I understand the minister to say he had an amendment to send up?

Mr. McCann: Yes, and I would ask the Minister of Finance to move it.

Mr. Harris: I move:

That item 289 be reduced in the amount of $50,000.

Mr. Monteith: I should like to take a moment or two of the time of the house by making a few remarks concerning this capital gains tax or supposed capital gains tax which the minister has been attempting to explain. I should like to read just a few lines from the evidence of the estimates committee appearing at page 779, near the bottom of the page. There is some preliminary talk about the possibility of the capital gains tax and then we come to this:

Mr. Monteith: In the instance of, shall we say, a retired person. He has an amount of money, maybe a couple of hundred thousand dollars. He has it in stocks. He deals fairly frequently. Would you be curious about his transactions?

[Mr. McCann.]

Mr. McEntyre: Of course we are curious about every taxpayer, but I do not think in that case we would be particularly curious about that individual.

Mr. Monteith: Do you think that if parliament should see fit to, shall we say, make better definitions as to what stock market transactions are, or what capital gains are, that it would assist you in your department with respect to whether or not you should investigate a certain person's stock market transactions, for example?

Mr. McEntyre: I think perhaps it would.

Mr. Monteith: In other words, you might be inclined to think, or say that the law as it exists now does not sufficiently determine whether a transaction is a capital gain or not?

Mr. McEntyre: I think as we go along, and with the courts examining more of these cases, that more principles are laid down, and in that way the law is becoming more certain in that respect.

Mr. Monteith: Of course, the courts and the appeal board, and so on, determine their cases according to how the law stands at the moment, do they not?

Mr. McEntyre: That is right, sir.

Mr. Monteith: If the law were changed to determine or to clarify exactly what a capital gain is, then the appeal board would naturally follow the law as it existed then?

Mr. McEntyre: Yes, sir.

It was clear in the evidence that the collecting department of the Department of National Revenue is not clear in its own mind as to how to determine the laws that exist, and in my thinking they should advise the Department of Finance as to how the act should be revised so that capital gain can be definitely specified.

Mr. McCann: Mr. Chairman, in answer to that, there is no definition in the law of what constitutes a capital gain. On several occasions it has been brought up when we have had the preliminary meetings on the budget with the finance committee, and the best legal advice is that up to date they have not been able to define what constitutes a capital gain.

Mr. Viau: In the discussion of this first item of general administration of income tax yesterday the hon. member for Dauphin, in his opening remarks, referred to the net worth statement as it affects farmers in the province of Manitoba and expressed his grievances with the attitude taken at times by the officials of the Department of National Revenue in dealing with farmers and in continuing at times to make a net worth statement which is not in accordance with the net return, I would say, of the farms in the previous three or five years. His remarks in respect to the net worth statement were very brief. I listened attentively to what he had to say, and in his first remarks and in the latter part of his speech which I read carefully this morning I notice that of the five columns of his speech four columns refer to the question which was asked by the hon. member for Winnipeg North Centre on April

9, which I shall read. It was addressed to the Minister of National Revenue and is recorded at page 2729 of *Hansard*, as follows:

Mr. Speaker, may I direct a question to the Minister of National Revenue? Will the minister re-examine the income tax files of the breweries of Manitoba to ascertain whether any of them claimed income tax deductibility for the contributions they made, as revealed in Winnipeg last week, to the Liberal, Conservative and Social Credit parties of Manitoba?

Then, of course, the hon. member for Dauphin continued his remarks on this question and he referred to the report which was discussed at Winnipeg at that time, which was issued by the royal commission established by the provincial government of Manitoba with respect to the liquor situation in that province. I shall quote the remarks made by the hon. member for Dauphin, as reported at page 5010 of *Hansard*:

In that statement you will find that the representative of the breweries stated that not only did the breweries of Manitoba make cash contributions to the political parties within the province of Manitoba but they made them also to the federal political parties.

I may say here that by using the plural "political parties" he does not include the C.C.F. party. I continue:

That immediately, of course, involves the consideration of this parliament.

In the last paragraph on the same page we find the following:

In case the minister or the committee is in doubt about what happened in Manitoba, may I refer them to some of the newspaper headlines. For example, the Winnipeg *Free Press* of April 4, 1956, carried this headline, "Breweries Bare Gifts to Three Parties; All But C.C.F. Shared $28,075 since 1945".

The remarks continue with respect to these gifts made only to the major political parties of the province of Manitoba. The members of the C.C.F. party stand up in this parliament and in the province of Manitoba with halos over their heads and rejoice that they receive no contributions from any corporation, either in Manitoba or throughout Canada. That is not a clear picture of the situation. We all know that political organizations have certain work to do and they have expenses to meet, and it is well known that contributions are received to help defray those expenses.

Our friends of the C.C.F. party are trying to set up a different picture. They say they receive no cash for their political organizations throughout western Canada. As I say, they go around with halos over their heads telling us that they receive no contributions from any corporation. But that is not the clear picture at all. The reason I rise today is to set out the situation that exists in Manitoba, especially in my own city of St. Boniface. I want to indicate the way in which the C.C.F. raise their political funds. They are now operating one of the largest gambling joints in the province of Manitoba right in my own city of St. Boniface.

A few years ago the C.C.F. party applied to the provincial secretary of Manitoba for a charter to operate what was called the commonwealth recreation society. This was being formed in order to round up all their friends. I call them their friends because the attitude they have taken in the past on public platforms in Manitoba is that they are the only friends of those Canadian citizens who are receiving social benefits, of the farmers and of labour.

We all know that members of the C.C.F. must contribute a certain percentage of their indemnity to the party funds, and no doubt in addition they receive contributions from individuals. But once this charter was obtained the picture was different. I should like to place on the record the names of the directors of that organization. I think I am fair in doing this because these names are taken from a public document.

One director is W. C. Leitkie, who is well known to the hon. member for Winnipeg North Centre. He has been an organizer for the C.C.F. and is an employee of Canadian National Telegraphs. Another is A. R. Paulley, member of the legislative assembly for Kildonan-Transcona. Another is Dave Mulligan, alderman for ward 1 in the city of Winnipeg. The last is none other than the Rev. Lloyd Stinson, the provincial leader of the C.C.F. party.

This recreation society was formed for the purpose of holding social evenings with their friends, but they operate bingo games. These were first started in the city of Winnipeg but the law officers advised the members of the C.C.F. that bingo or any form of gambling would not be allowed in Winnipeg. So they crossed over the Red river to St. Boniface and rented large quarters from an individual where they could operate this commonwealth recreation society. I might say that last year the individual from whom they rented these quarters was fined $16,000 for having made fraudulent income tax returns.

If the C.C.F. intended to operate this for fraternal purposes or as a social gathering they would probably have a bingo game once a week or twice a month. We all know that organizations in certain parts of Canada, particularly in Ottawa, service clubs and the like, operate bingo games possibly once a month. Valuable prizes are given, sometimes

amounting to about $10,000, but the Kinsmen or the Kiwanis clubs which operate these bingo games in Ottawa obtain large returns which they use for their social work.

The C.C.F. party did not operate their games in Manitoba once a week or twice a week; they operate thirteen nights a month. Last week the fire chief of St. Boniface made a complaint to the city council and asked that the necessary measures be taken—this was not within the power of the fire chief to do himself—to prevent these quarters being crowded with from 400 to 450 people thirteen nights a month. The fire chief claimed this created a fire hazard.

An entrance fee of 75 cents is charged, and if you multiply 400 by 13 by 75 you will see that the C.C.F. party in Manitoba is obtaining a large return from this recreation society. This money is not being spent for social or fraternal work, it is used primarily for political work in the province. I might use some of the words used yesterday by the hon. member for Dauphin when he referred to the contributions made by the breweries to the main political parties in the province of Manitoba and asked if these contributions were considered as being deductible for income tax purposes.

I believe I have stated clearly the situation that exists in the province. As I say, these people go around the prairies with halos over their heads saying that they receive no contributions from corporations, yet they tax their friends so much a night when they attend thirteen times a month at this recreation society. The total received would be far more than the $30,000 received from 1945 to 1955 from the breweries in that province.

I bring this matter to the attention of the committee because of the remarks yesterday by the hon. member for Dauphin. I do hope that the Minister of National Revenue—I am using part of the question asked by the hon. member for Winnipeg North Centre—will re-examine the income tax returns of the commonwealth recreation society of the province of Manitoba situated in St. Boniface to ascertain whether any claim has been made to a deduction for income tax purpose of these contributions received in the form of gambling.

Mrs. Fairclough: Mr. Chairman, the minister has reiterated the general tenor of his remarks in the committee when he said that his department was concerned only with the administration of the act and disclaimed any responsibility for the actual enactment of income tax legislation.

However, it seems to me that the minister must recognize that he, in his capacity as a member of the executive, has probably more influence than any other member except the Minister of Finance himself with regard to the formulation of policy. I think this is borne out by some of the remarks of the Minister of Finance in his budget speech. On the evening when he presented the budget to the house, the Minister of Finance referred to the fact that he and the Minister of National Revenue conferred. I think he used the expression, "the Minister of National Revenue and I have given considerable thought" to certain aspects of the legislation. I do not doubt that that is true. It would be very odd indeed if they were not in conference almost continuously as to the administration of the department and also the policies that the government proposed to put into effect.

I have just been looking back on the budget debate. I cannot find the actual place but I remember that on that evening the Minister of Finance tendered his thanks to the Minister of National Revenue for the collecting of substantial sums, but I must say that I did not hear him proffer the same thanks to the taxpayers who paid those sums. No doubt it was an oversight, and possibly the Minister of Finance would permit me to make that correction in his remarks at this time. Because I believe that the Minister of National Revenue must have some influence on the forming of policy, I believe that there are some things that should be said in this debate on the estimates of his department. A few of the things that I wish to bring up now, I did comment on in committee, but I should like to have them on the record of this house. Now that the Minister of Finance is in the house also, I hope that he will likewise bear in mind the suggestions I make.

In the first place I should like to refer to the practice of the department of taxing rental revenue as investment income when it comes to the taxpayer from an estate or trust. I draw attention to the remarks I made in the committee, which were to the effect that it has been ruled in court on many occasions that income does not change its character by reason of passing through a trustee to a beneficiary. As a matter of fact, I think the rule is so well established that it scarcely needs to be mentioned, but I believe that that should be borne in mind when we consider the practice of the department of assessing income from trusts or estates as investment income without regard for the source of that income.

On the T3 form, the estate or trust return, in the section that deals with surtax on

investment income, there is a little note to which I drew attention previously in the committee. It says:

> Rental income from real property and income from a business or farm operated by the executor or trustee are not subject to surtax in his hands.

Yet on the new T1 general form, the only place where you can report income from estates or trust is in the investment income space. That in turn is carried forward to be reported for the purposes of surtax on page 2. It seems to me that this is a matter which the government should consider.

Since the Minister of National Revenue disclaims responsibility for policy, then I appeal to other members of the government to consider this in the executive and, because there is apparently no foundation in law for this departmental practice, to see that steps are taken to have rental income assessed for tax purposes as it should be, without regard to whether or not it passes through intermediate hands before reaching the ultimate beneficiary. I suggest that that could be done simply by making space available on the T 1 general form for the reporting of income from rental accruing to a beneficiary from an estate or trust. It would be a very simple matter to arrange, and I suggest that consideration be given to it.

There was another question which I brought up in the committee and about which I wish to speak for a few minutes this afternoon. That is the apparent discrepancy in the allowance of charitable donations. In speaking on this particular aspect in the committee I drew attention to the fact that apparently in some sections of the country there had grown up a practice of allowing donations to the sum of $25 unsubstantiated by receipts. I admit that the minister and the officials of his department expressed surprise that this was the case but since the day when we discussed that in the committee, because of the surprise which was shown by the government minister and his officials, I checked into it again and I find that that practice has been adopted in certain centres. I fancy that bringing the matter to light in this way will result in a directive from the department to the effect that taxpayers in all parts of the country must be treated in precisely the same manner. If it is the department's desire to allow donations up to $25 without receipts, then that allowance should be made to all taxpayers. Whether or not a portion of their taxable donations is substantiated by receipts, they should be allowed to add to that amount $25 for sundry causes. I suggest to the minister that they should do one or the other; either they should allow it to everyone or they should allow it to no one. I do not believe there should be any discrimination with regard to these allowances.

There is another matter which was discussed in the committee and about which I should like to speak this afternoon. That is the interpretation that has been placed on clause 11 (1) (j), which resulted in the disallowance of alimony in a specific case which I cited in the committee. I do not intend to go into the details of this case. I merely wish to quote Mr. Fordham, a copy of whose judgment in this particular case I hold in my hand. In giving his judgment he set out clause 11 (1) (j) and he made these remarks:

> Much to the taxpayer's surprise, however, the minister disallowed such deductions and ruled that they did not come within the purview of the provision set out above. At the hearing it became clear that this was because the word "alimony" did not appear after "divorce" in the fourth line of paragraph (j), above. An appeal to the board duly followed.

Then Mr. Fordham went on to say:

> The matter reveals for the first time, where the board is concerned, what appears to be a remarkable and unfortunate oversight or omission in the drafting of the foregoing enactment. Although alimony, as such, is clearly deductible by the payer when a court has made an award of alimony in a decree, order or judgment for divorce, or a husband or wife have executed a separation agreement providing for the payment of alimony, subsection (1) (j) does not take cognizance of an action for alimony alone. No reference to such a proceeding is to be found in its wording. Hence, the unfortunate appellant cannot have the relief that is ordinarily afforded to those obligated to pay alimony periodically. The words "judicial separation" do not assist him, as the Ontario courts are without jurisdiction to entertain actions for judicial separation.

Those are the words of Mr. Fordham. You can no doubt look them up. However, the point which he makes is a point which I ask the government to consider, namely, whether or not clause 11 (1) (j) should be amended by insertion of the word "alimony" in that clause to permit the deduction of alimony where it is a matter of agreement and has been sanctioned by the courts without going through the formalities of divorce proceedings. I trust the government will consider that because it seems to me a grave injustice that people who accept their financial responsibilities in this manner should have such allowances removed from their list of recognized deductions for income tax purposes.

Over the past few years, Mr. Chairman, there have been a number of pleas made in the house for the removal of the floor on medical expenses, and I could not speak on the estimates of national revenue without mentioning this particular point and once more urging the government, as I am sure other members also will, to remove that floor. The arguments in favour of so doing have

been set out on numerous occasions. I do not intend to go into them at any length this afternoon. I would be merely reiterating arguments which I have made previously and which other members of the house have made. I still believe it would be a sound move and I think also it would be just simple justice to people who, in time of great need, are forced to pay out large sums which undoubtedly causes them considerable distress, and it seems to me they should be permitted to take all of these items as deductions and not just the portion in excess of a certain percentage of their income.

There is one other matter I should like to bring before the house this afternoon. I refer to the position in which the self-employed person, whether in business or the professions, finds himself with regard to the building up of retirement funds. There have been a great many articles written on this matter as well as letters to the newspapers and presentations made to members of parliament and to the government. I have in my hand a letter written by a well known Hamilton doctor to the Hamilton *Spectator* in which he describes the situation in which a physician finds himself with regard to setting up some sort of scheme to give him security late in his life. He says in part that the physician in attempting to set up an estate invests in annuities or some other insurance scheme to ensure security later in life but because he is self-employed this deduction cannot be allowed. He draws attention in a personal letter to me to the presentation to members of parliament by the Canadian Medical Association which requested in part tax deferment on personal contributions to annuities or other retirement funds.

I want to emphasize once more that in speaking in this vein this afternoon I am not speaking solely on behalf of professional people because I think there are a great many businessmen, small businessmen particularly, who find themselves in precisely the same position as those who operate professional practices. In the letter from the Canadian Medical Association accompanying the presentation to members of parliament they draw attention to an article by Dr. T. James Quintin of Sherbrooke which appeared in the October 1, 1955, issue of the Canadian Medical Association *Journal*. In Dr. Quintin's article he made some very pertinent comments. He started out by quoting part of a statement taken from the Millar Tucker report to the British House of Commons on the taxation treatment of provisions for retirement, and I should like to read into the record two sentences that he quoted.

[Mrs. Fairclough.]

> It has to be remembered that the law of income tax is not one of the laws of nature. It is purely man made and the principles governing the imposition of the tax therefore depend on the will of the creator.

Dr. Quintin refers to this statement taken from the Millar Tucker report and he comments that it is used in referring to the changes needed in the income tax law as it applies to self-employed persons. Dr. Quintin refers only to physicians, but as I said before I refer to all self-employed persons. Dr. Quintin goes on to say:

> It is they, the self-savers, who suffer from this discrimination in our present Canadian Income Tax Act, as opposed to the pension savers who, because they work for a group or an industry, are allowed postponement of income tax on a portion of their income, if they are eligible for membership in approved pension plans.

I do not intend to read much more of what Dr. Quintin has to say but his remarks seemed to me to be so pertinent that I could not improve on them myself. Therefore, if the house will permit me, I should like to read one or two paragraphs. Dr. Quintin says:

> The physician suffers with all the self-employed under the inequities of the present system, but he suffers more because he requires the longest training amongst the professional groups.

Some members might challenge that but nevertheless this is his presentation. He says:

> His earnings are concentrated in a shorter period of time, and during these peak years he is often taxed in a higher income bracket than if he had had his income spread out over a longer tax period.

Then he goes on to point out the effect which this situation is having on the profession in general and he makes this comment:

> Instances of the "old doctor" who has had to hang on to his practice because he has nothing on which to retire are too well known to all of us. Or the middle-aged physician who is ill and who has served his hospital, his patients and his community well, and yet can't take it easy or retire, as he was not able even at his peak years to save after paying his income tax.

Then speaking of the young doctor he says.

> Where are the young graduates who could be our much-sought-after general practitioners or self-employed family doctors? They are to be found in the clinic groups or among the company doctors, where among other things they will have a certain security which appeals, and a guaranteed retirement income paid for by income tax relief allowed to them because they are not self-employed.

To my mind, Mr. Chairman, this situation, apart from being unfair, does little to encourage individual initiative.

I should like to refer to another source, namely a brief, if such it can be called or rather a memorandum as they describe it, sent by the Canadian Dental Association to the government with respect to the deductibility of pension payments from taxable

income. In the first paragraph of this memorandum which is headed "Fundamental basis of Proposals", the dental association has this to say.

> In making this presentation, we feel justified in claiming that we are not asking the government to consider any new principle for surely it is long accepted and incorporated in income tax legislation that is just, and desirable as a matter of public policy, that the individual who has laboured throughout the productive years of his life should be rewarded over a longer period than his actual service: that some of the income of the productive years should be deferred to the years when work is no longer possible.

I am sure the minister would agree with me, Mr. Chairman, and the Minister of Finance also, that this was, after all, the way in which people in this country have planned their lives for many years. The income tax is a comparatively new field. Years and years ago persons were able to save from income and lay aside their savings. Then when their years of activity had ceased they were able to have funds with which to support themselves for the rest of their lives. But in periods of high taxation it is almost impossible to save sufficient to guarantee a retirement income purely from personal savings. So there has grown up over the years the demand for an insured period of retirement and schemes have been promoted and have become popular in industry. Even the government itself has such a scheme which is available to purchasers. But I should draw attention here to the fact that a man who subscribes to a retirement scheme and who is employed in industry, where that scheme is recognized by the government, is permitted to deduct the premiums from income for taxation assessment. However, a self-employed person can purchase precisely the same kind of annuity from the same source, pay the same premiums and be allowed no deductions. It just does not seem to add up to equitable treatment, and I trust that the government will give some consideration to this extremely important matter.

In closing these remarks I should like to read again two short paragraphs from the brief of the dental association:

> We believe the government desires, as a matter of good public policy, the maintenance of income as a stabilizing factor in the economy of the nation, contributing to the maintenance of employment and the general well-being.
>
> Finally, we believe it contrary to good public policy that professional men, however able in their prime, should be compelled as a matter of personal subsistence, to continue practice after their faculties are impaired.

Mr. McCann: Mr. Chairman, it will just take a moment to answer some of the criticisms offered by the hon. member for Hamilton West. She appears to be in the right church but probably in the wrong pew at the present time because of all the matters about which she has spoken, including rental revenue, charitable donations, alimony, medical expenses, pensions and all the rest, the only one that has to do at all with the administration of the department is that with reference to charitable donations. The others are matters which are very interesting but which may well be brought before the Minister of Finance either in committee or when he brings in his income tax act or before the next budget.

Mrs. Fairclough: May I suggest that I was making my remarks to the house and to the executive at large.

Mr. McCann: With reference to charitable donations, I am only going to quote what the deputy minister of taxation said with reference to the complaint that there are rumours afloat to the effect that a person may claim $25 as donations without providing any receipts. The deputy minister said this at the committee meeting as reported at page 822 of the proceedings:

> The policy certainly is, if a claim is made for charitable donations, that it must be supported by proper receipts. There is that principle of—

There are some Latin words here which I will have to have translated for me.

> —deminimis non curat lex. Occasionally you get into the question of a very small adjustment which requires you to write the taxpayer a letter and ask if he has receipts for this amount of $5 or some small amount. When you think of the amount of tax involved, 20 percent of $5 it may be only $1, so we do overlook sometimes very small items that are not going to make any particular difference in the tax involved.

But the general principle and the administrative principle is that if any claim is made for charitable donations, it has got to be supported by proper receipts.

(Translation):

Mr. Dufresne: Mr. Chairman, the study of the estimates of the Department of National Revenue gives me an opportunity to make a few remarks which I consider quite relevant.

It is worth noting that, despite a number of recommendations made by the official opposition over the years, the government has not seen fit to give the Canadian taxpayer the relief he is entitled to expect.

The war has been over for almost twelve years already and, although all public groups have kept asking for tax cuts, taxpayers are still staggering under the burden of excessive taxation. This cannot go on for ever and Canadians, as well as our most astute businessmen, realize that by keeping taxes at

such a high level the government can only jeopardize the future of Canadian economy. Personal taxes, I think, particularly deserve the attention of the government, and a long overdue reduction should be seriously taken into consideration. The government is no doubt planning personal income tax reduction prior to the general election which is sure to take place early in 1957, in a fresh bid for the popular vote.

The people of Canada, however, want sizeable cuts right now. They refuse to play the game of those who take such action for the sole purpose of clinging to power. If the government is turning down the opposition's legitimate request that we go to the people, we may gather, convinced as we are that those who are now governing this country have lost the confidence of the Canadian people by their dictatorial and anti democratic attitude and by jeopardizing the very foundations of our parliamentary institutions, we may gather that they intend, before going to the people, to sweeten the pill once more and try, unsuccessfully that time, to have it swallowed by the Canadian taxpayers.

That is why, in spite of protests coming from all over the country, the government stays put and has no intention to give the poor taxpayer the relief to which he is entitled and which he hopes to get as soon as possible.

As the cost of living index has not changed since the end of the war, and has remained at a very high level, it is unquestionable that small wage earners are desperately trying, at the cost of many sacrifices, to provide for themselves and for their family.

To protect our own economy, it is more urgent than ever that the revenue of the wage-earner be raised substantially, especially in the case of the small wage earner whose family responsibilities are ever increasing.

The Canadian workers, both those with a small revenue and those in somewhat higher brackets, would like to have the opportunity to provide for their family. He would like the advantage of giving his children an education sufficient to ensure their future. How can he contemplate a brilliant future for his children if he is ruthlessly deprived by the government of that part of his revenue which he could use for that purpose?

If it is true that the government must collect the taxes necessary for the administration of the country, it is no less true that it must ensure the future, the prosperity and the security of the people. If the government does not take the steps necessary to that end, it is lacking in its administrative duties and, at the same time, it is taking an anti-social, anti-familial and anti-Christian stand.

A married man, with all the obligations of married life, can barely exist if he is allowed but $2,000 a year to keep his home, clothe and feed his family, pay for urgent medical care and think about. . .

(Text):

Mr. Harris: Mr. Chairman, on a point of order; I have no desire to interrupt the debate which has been most helpful in what has already been said this afternoon, but I really must say to hon. members that when we come to discuss points of policy, as has been the case, and in particular when we discuss the level of taxes as my hon. friend is now doing, those are matters which should be debated either on the budget or on my estimates and not the estimates of this particular department. I will be quite glad to do what I can to give such time as hon. members want on my own estimates to discuss these things, but we have had our budget debate and the level of taxation has been set for the rest of this session. I would hope hon. members could confine themselves strictly to the matters that really are of concern to the Minister of National Revenue and, for my sake, not interject questions I cannot really answer at the moment, and for the sake of the Minister of National Revenue hon. members should confine themselves to those things with which he has to deal. I accept the full responsibility for matters of policy and I would hope the hon. member for Quebec West, while I admit we allowed a certain amount of latitude to the hon. member for Hamilton West, would confine himself, if possible, to matters before the Minister of National Revenue and not the Minister of Finance.

Mr. Dufresne: I have always felt that deductions from income tax were always under the Department of National Revenue.

Mr. Harris: No, they are not.

Mr. Dufresne: I do not think any hon. member can contradict me when I say that the Department of National Revenue is getting the taxes.

Mr. Habel: Collecting the taxes; they have nothing to do with fixing the tax.

Mr. Dufresne: That is what I am speaking about; I am saying his department is taking too much out of the poor people, those who have only a small salary. The Minister of National Revenue can always refer what I have said to the Minister of Finance.

Mr. Harris: That is budgetary matter and perhaps it is one for my estimates. I do not know that until I examine what my hon. friend has said. However, it is a matter of financial policy, how much taxes we pay.

Mr. Dufresne: Why did you get up if you did not know what I said?

Mr. Habel: On a point of order, Mr. Chairman.—

Mr. Dufresne: What point of order?

Mr. Habel: I am coming to that. In fact, Mr. Chairman, the hon. member for Quebec West was making a good political speech on behalf of his constituents but there is no doubt he is entirely out of order when he talks about the amount of taxes, the exemptions and so forth. I understand that those are budget matters and once the budget has been decided then all he can talk about on these estimates is the collection of taxes. The minister was quite right in his point of order.

Mr. Dufresne: I believe that speech, as usual, is not too brilliant. I guess it cannot be otherwise since it is coming from the hon. member for Cochrane.

Mr. Habel: I will tell you any time you want.

The Chairman: Order. I was not able to follow the hon. gentleman's earlier remarks as closely as I would have liked as he was speaking a language with which I regret I am not yet too familiar. I was going to congratulate the Minister of Finance on his knowledge of the language until he admitted he himself would have to read the hon. member's remarks later.

However, I did follow enough of the remarks to know that the hon. gentleman was dealing with matters of financial policy rather than the collection of taxes, which comes under the purview of the Minister of National Revenue. I would ask the hon. gentleman not to deal with matters of fiscal policy, but with matters which more particularly come within the taxation division of the Department of National Revenue which, after all, is a collection department.

Mr. Dufresne: All right, Mr. Chairman. I will agree, and I will wait until the estimates of the Minister of Finance come before us to bring to the attention of the committee the remarks I have just made.

(Translation):

However, Mr. Chairman, I would like to call the minister's attention to the blameworthy—to say the least—conduct of those who are entrusted with the inspection of the books of taxpayers supposedly in arrears in their payments.

I admit that the government has to claim its due, but I am opposed to certain brutal methods employed to ensure that result. It must be admitted that the people who are asked to pay taxes are no criminals, no dangerous bandits, and must therefore not be treated as such.

Let us make an end of this uncalled for intrusion in highly personal matters especially those directly connected with married life and the relationship between man and wife.

May I be allowed to read a letter which came to me recently from a prominent professional man in the province of Quebec. I hope I may dispense from giving his name.

(Text):

Mr. Lesage: Mr. Chairman, I believe that, according to the rules of this house, when a letter is read in the house we must have the name of the man who sent it. The hon. member was about to read a letter after saying that he would not mention the name.

Mr. Dufresne: Mr. Chairman, it is not the letter I wish to read; it is a copy—

Mr. Lesage: That is what you said.

Mr. Dufresne: It is a copy of some remarks made by a very prominent professional in the province of Quebec who wrote to me. Of course, the minister will not be surprised if I hide the name because some members on the other side might be glad to find out who is writing to us. I do not think there is any rule of this house, Mr. Chairman, that prevents me from reading a document that I am ready to table.

The Chairman: If, in the course of his remarks, the hon. member wishes to read a letter he must, of course, give the name of the sender of the letter.

Mr. Dufresne: It is not a letter, Mr. Chairman. I just explained that it is a copy of a document which the gentleman had sent to a newspaper in the province of Quebec, and it was not printed.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Unprintable.

Mr. Dufresne: Like the minister's speeches.

Mr. Pickersgill: I get my speeches printed; that is the trouble.

Mr. Dufresne: Like the kind of speeches the minister makes here.

(Translation):

Mr. Chairman, this document reads as follows:

(Text):

Mr. Lesage: Oh, no; I am sorry. I am coming back to my point of order. The hon. gentleman is now endeavouring to read what he calls remarks made by a professional, which have been sent to him. He says it is not a letter; it is a document containing remarks. Well, a document containing remarks sent by a professional to the hon. member is certainly a letter, or some kind of a letter, and the rule applies to it. I do not believe the hon. member should start reading a letter without giving the name of the sender.

Mr. Dufresne: Mr. Chairman, I shall just make my own remarks based on what I have in hand. I shall read them exactly as if they were my own. I do not think anyone will stop me. I will not use the copy that I have in hand.

The Chairman: The hon. member referred to this matter first as a letter which had been sent to him, and said that he wanted to read it.

Mr. Dufresne: If you allow me, I said it was a document attached to a letter that I had.

The Chairman: It is a document which has been sent to the hon. member and which he wishes to read to the house. The situation is covered by citation 270, which reads:

An unsigned letter should not be read in the house. On the 16th May, 1928, a member stated during debate that a letter which he had been quoting was not signed. The Speaker said: "Such a letter should not be read into *Hansard*; all letters when read must be signed and they become part of the documents of the house."

The ruling is quite clear. The hon. member is quite at liberty to read the document into the record, but if he wishes to read it into the record, then he must of course indicate its source by giving the name of the sender.

Mr. Dufresne: I think I will give the name of the sender because it will be very interesting even to those who do not speak my language to be able to read the translation tomorrow. This letter comes from Dr. Andre Legendre of Shawinigan Falls, in the province of Quebec. The document attached to the letter is the following one. It is entitled:

(Translation):

That letter was written by Dr. Andre Legendre, of Shawinigan Falls. It is entitled: "All they need now is a revolver in their hand."

Usually the work of the assessors and inspectors of the income tax division is not an easy one. Their task is not pleasant when they have to investigate mistakes, sometimes deliberate mistakes, made in a financial statement. But in

democracy there are, between civilized people, certain limits beyond which it is nothing less than abuse, which borders on sadism. Witness the following instance of a case recently reported in one of the cities of this province.

One fine spring morning, six or seven automobiles drove into town, each carrying a member of the R.C.M.P. and one or two accountants from the income tax division. At exactly the same time, a group calls simultaneously at the office and at the home of three professional people of the city; the man in charge shows to the wife or the secretary an authorization from the Deputy Minister of Finance and a search warrant signed by the president of the Exchequer Court. The two documents, requested by a French Canadian and concerning French Canadians, and authorizing a complete search of the home of a French Canadian, are drafted exclusively in English. But that is of no importance to those gentlemen who give a brief explanation of their significance, without bothering to make sure that the meaning of the document is fully understood, (French legal texts are already not too easy to understand, let alone the meaning of such a document for one who is not conversant with legal terms or with English) and they immediately ask to be led to the bedroom or the office of the boss. The moment chosen is of course one when the head of the family is away from his home and from his office. Then begins a complete search; those people even take upon themselves to read excerpts from the personal diary or the intimate correspondence of the husband or wife. Nothing can be done to avoid that search of one's treasures. If permission is refused, everything will be taken away and then . . . When the victim of such a brutal investigation arrives, having been advised by telephone, and tries to discuss the matter with them, the investigators, relying on their power and their position, reply politely, but without giving any definite answer, except the following: "We have been instructed to take with us anything that may pertain to accounting. We are entitled to see everything, to look everywhere and to examine all documents, whether personal or not." And search of the premises goes on; nothing is overlooked, not even the box of sanitary napkins or the garbage pails. The investigators take away all documents they see fit to seize, without giving any receipt for the items taken away, leaving it up to the owner to list them and make a claim (what chance would he have to be heard?) if everything which has been taken is not given back. Except for the use of a revolver and brutal treatment of women and children, one would think that we were living behind the Iron Curtain! It remains that such a method of investigation is unjustified, if steps have not been taken previously to obtain the required information and such attacks are led first against respectable citizens. Secret police methods and intimidation have no place in a true democracy; one is led to wonder whether all that deliberate and systematic campaign by the government against certain professions, does not aim to lower their prestige and give it a freer hand in taking certain political steps. But there is one thing that is even more serious, and it is the use in such cases of documents in English only. When the authorities force the door of a taxpayer, violate the privacy of his home, and take contemptible and despicable means to find fault with him and take away his money, that is already more or less democratic, but when insult is added to injury by the fact that no respect is shown for the victim's mother tongue, that goes beyond the limits and adds insult to brutality. That also shows the spirit which prevails in the income tax division, a contempt for the taxpayer, especially the French-speaking tax-

payer. Let us hope that one of our members of parliament will rise in the house and mention the fact.

I think this letter speaks for itself, Mr. Chairman, and does not call for any comments. However, I have another duty i.e., to tell the government, and more especially the Minister of National Revenue (Mr. McCann), to give strict orders to stop such abuse at once.

I now would like to touch upon another point, Mr. Chairman, a point I consider of the highest import and which cannot be ignored by this government.

The leader of the communist party in Quebec, named Gui Caron, has just applied to the superior court of my province for an order compelling the C.B.C. to grant him broadcasting time on the radio and television networks.

Some hon. Members: Order!

Mr. Dufresne: The leader of the communists approached the court with a mandamus.

(Text):

Some hon. Members: Out of order.

Mr. Habel: The hon. member for Quebec West is out of order, and he knows it perfectly well. He is now talking about the C.B.C.

Mr. Dufresne: Radio Canada is under the Minister of National Revenue.

Mr. Habel: You are out of order and you know it.

The Chairman: We are dealing with item 289, which has to do with the taxation division of the Department of National Revenue. There are subsequent items which relate to the C.B.C. and it has always been our custom to deal with them separately rather than under these items of the Department of National Revenue. The items in question are Nos. 54, 55 and 56.

Mr. Dufresne: I will save those remarks for later on.

(Translation):

And now, Mr. Chairman, I should like to inform the Minister of National Revenue of a letter that I received recently—let not my hon. friend from Cochrane (Mr. Habel) worry, the rules allow me to read this letter—

Mr. Habel: As long as you are in order, you are free to speak.

Mr. Dufresne: This is a letter from one of my constituents or rather a letter I wrote to the minister about one of my constituents who is afflicted by a most crippling disability. In order to go to work, he has to use some means of transportation which he could do without. So that hon. members may have an idea of this man's situation, I shall read the letter that I wrote recently:

Mr. J. C. Patenaude,
Taxation Division,
Department of National Revenue,
Jackson Building, 122 Bank St.,
Ottawa, Ontario.

Dear Sir:

Re: Mr. Hosea Cantin,
46 Christophe-Colomb West,
Quebec City, Que.

The above-mentioned has been suffering since birth from a very painful disability. In fact Mr. Cantin is barely 3 feet in height and must drag himself painfully on legs about six inches long. Even if you have not seen him you can picture to yourselves his condition and, like me, I am sure, you must have pity on his misfortune. A few years ago, some charitable people managed to find a job for Mr. Cantin at the Quebec parliament.

However, Mr. Cantin's sole means of getting to his place of work in the morning and back home at night is to hire a regular taxi for which he has to pay $1.20 a day. He even brings his lunch to avoid extra expense. I need not add that the taxi driver has to help him to get in and out of the taxi. Without this means of transportation, Mr. Cantin would have to rely on public charity since it is impossible for him to travel in any other way.

Being a bachelor, his tax exemption is only $1,000 while his annual salary is $2,000. Mr. Cantin is asking, rightly so, and I support him without reservation, that an amount of $360 a year be allowed to him for unavoidable expenses of transportation. Up to now, his request has been repected. In my opinion, this is a rather exceptional case and a spirit of humanity should prevail over normal bureaucratic rule.

I strongly urge therefore that permission be given to Mr. Cantin to deduct from his personal income tax his legitimate and unavoidable transportation expenses since this is the only way for him to avoid being a charge to the public.

I hope that this request will be granted without delay. I thank you in advance. Please accept the expression of my best wishes, dear Mr. Patenaude.

Yours truly.

Mr. Chairman, I have read that letter in order that the minister may understand that there are exceptional cases—they are not very numerous—which deserve special attention.

Mr. Leduc (Jacques Cartier-Lasalle): I wonder if the minister of health and social welfare in the province of Quebec could not get a grant in a case like this, since it involves an employee of the Quebec government? Grants are made rather liberally in the province of Quebec, and I am sure he could get one.

Some hon. Members: Hear, hear.

Mr. Dufresne: This applause could very well be toned down, there being no call for it under the circumstances.

Mr. Chairman, the government of the province of Quebec is already contributing its full share in the case I have mentioned. This disabled man has been given a job for which he is paid $2,000 a year. On the other hand the federal government—this man is single—taxes his salary after $1,000. I agree that the government is acting according to the law, but it seems to me that, in such a special case, it would be only fair, as I said in my letter, if humanitarian considerations prevailed over standard bureaucratic practice. It seems to me that it would not harm anyone if this poor chap were allowed to deduct $360 a year for such absolutely necessary transportation, since otherwise he could not get to work at all.

I personally took it up with the minister; I was very well received, and he told me that his only responsibility was to administer the law enacted by the Minister of Finance (Mr. Harris). I agree.

Mr. Cauchon: By parliament.

Mr. Dufresne: By parliament. I raised that point this afternoon, in order to show that there are exceptional cases. I ask the minister to submit those cases to the authorities or to the cabinet. It should be possible, without harming anyone, to make the necessary changes or to grant the necessary exemptions in such pitiful cases as the one I just referred to.

Mr. Habel: You know very well that we cannot legislate for individual cases. It is a rather difficult case, but the government of Quebec could help that man by increasing his salary to cover the additional expense. The government in Ottawa cannot make special regulations for each individual case.

Mr. Dufresne: Mr. Chairman, I am not here to discuss what the Quebec government should do. I stated what the Quebec government was doing for that man and I congratulate the said government for giving him some kind of employment, without which he would have been a charge upon the state. And God knows that one cannot live with the $40.00 monthly pension paid to invalids. One cannot live on that.

The Minister of National Revenue stated as follows in a letter he wrote me on March 14, 1956:

[Mr. Leduc (Jacques Cartier-Lasalle).]

Such an expenditure cannot be authorized as a deduction for income tax purposes owing to section 12 (1) (h) of the Income Tax Act, which we must administer as it was passed by parliament.

I agree with the hon. member that we cannot legislate for individual cases, isolated cases, but I am convinced that without causing prejudice to anyone and without going against the act, the authorities could use common sense and logic; they could be led by some sort of humanitarian spirit in the case submitted to us. In fact, I believe that the department should grant the requested deduction.

Mr. Habel: Can the hon. member tell me what that tax reduction would amount to if that $360 deduction were granted?

Mr. Dufresne: I did not calculate it.

Mr. Habel: $54 a year, for the information of the hon. member.

Mr. Dufresne: I am not here to report on deductible amounts.

Mr. Habel: Yet you are making a great fuss about a deduction which represents only $54 a year.

Mr. Dufresne: I would like to continue my remarks, Mr. Chairman, without being disturbed by the insignificant interruptions of the hon. member for Cochrane (Mr. Habel).

Mr. Habel: You are here to make speeches.

Mr. Dufresne: Not insignificant ones.

Mr. Viau: When the time comes to make a speech, you are there!

Mr. Dufresne: Sit down, I have the floor.

Mr. Habel: You do not want to pay any attention to my calculation.

(Text):

Mr. Knowles: Six more days and the election will be over.

(Translation):

Mr. Dufresne: Mr. Chairman, these were the remarks I wished to make. I hope that the hon. minister for whom they were intended will take them into consideration without paying any attention to the stupid interruptions from various points; I hope that he will be in a position to solve the problems I have put to him.

(Text):

The Chairman: I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Quelch: Mr. Chairman, I have just a few remarks to make on the question of net worth statements. I have spoken about this on a number of occasions in the past and I believe the minister has already made quite a lengthy statement and has given the pages of *Hansard* on which I could find it. But the point is that I have received a number of protests from farmers, and the protests they have made are not covered by the statement made by the minister. I should like at this time to draw these to the attention of the minister.

I am not complaining regarding the type of inspectors sent out to get these forms filled. As a matter of fact, the men that have been sent out to the part of the country I come from have been men with very great experience in agriculture. Farmers have said to me that they know all the answers and that you could not get away with anything. I am not saying that the government should not send out men like that. I think it is good that they know the full score. But I would point out that this is a situation where the odds are loaded heavily in favour of the Department of National Revenue. The inspector knows all about agriculture and he knows all about income tax; the farmer knows about agriculture but he does not know much about the income tax. Therefore it is possible for the inspector to put many things over on the farmer—I would not say intentionally—perhaps unintentionally. I think that often happens. It seems to me that too often the inspector is too much interested in trying to collect more revenue than in just collecting the amount of revenue that the government is entitled to obtain under the Income Tax Act.

I am going to give the minister a few illustrations of what I mean. First of all, it seems to me that, as soon as the farmer goes into the office, the inspector should immediately explain to him the purpose of the visit. The minister says that they do that, but unfortunately they apparently often enter into what might be called a friendly conversation. I have never been in myself and I have to depend on what farmers have told me but, in view of the fact that quite a number of farmers have told me a very similar story, I think there must be something in it. For instance, they say that when they walk in they are treated very courteously by the inspector. The inspector says, "I'll bet you have a difficult job with the prices you are called upon to pay now". The farmer agrees with him. Then he says, "I suppose you find the cost of living high these days". The farmer agrees. Then the farmer agrees that the cost of living has gone up to perhaps $2,000 a year or some other figure. Right then and there the farmer has two strikes against him. Then they get down to business, but the farmer has already put his foot in it. Then the inspector explains the purpose of the visit. By then possibly the farmer begins to realize that he has committed certain indiscretions.

It seems to me that the very first thing that should be explained to the farmer is that according to his income tax returns the increase in his capital seemed to be greater than his return of income would warrant. That should be explained at the very start. That is done, but unfortunately not at the very start. Very often the farmer is able to give a satisfactory explanation. He is able to explain that his father has given him some capital or made a loan to buy machinery, which accounts for the increase in capital that did not appear to be justified in the report of income; or it may be the result of a small legacy.

The inspector should be very careful to see that no item is included in the cost of living that is deductible or, if it is deductible, he should be very careful to see that it is actually deducted. I could give an example. This is a case that I brought up with the department in Ottawa and it was straightened out, but there must be many similar cases that have not been brought up, with the result that the farmer has been charged tax that he should not have been charged. In this case, a farmer having the cost of living expenditures made up, admitted that he had made a charitable donation of $240, and that was included in his cost of living. That should have been also allowed as a deduction. The farmer had never received a deduction for it, but it was shown as cost of living. The inspector should also have been very careful at that moment to see that that $240 was included as a deduction. Consequently, of course, the farmer had to pay an additional tax as a result of having that charitable donation shown as a cost of living expenditure, and without being given any credit for a deduction.

There is another point, and this is, I think, a little harder to deal with. From what I have gathered from farmers, if they bring this matter to the attention of the inspector it is allowed, but if they do not bring it up it is not allowed. In a case of this kind, where the inspector has all the experience and knowledge of the act, he has a responsibility to draw to the attention of the farmers where they can cut down their taxes by

giving certain statements which apparently they do not think are needed. I shall explain that. Take the question of machinery. At the beginning of the five-year period the machinery may be shown, we shall say, as $5,000 in the income tax return. At the end of the five-year period that machinery may have gone up to $10,000, with the result that there is an appreciation of $5,000. But that may not be the true picture. Actually the farmer may have traded in the old machinery and received a trade-in value of $7,000 for it. We know that during the past ten years farmers have been able to get very good trade-in values on machinery, but unless the farmer drew the inspector's attention to that, although the actual value of that machinery may be shown on the income tax return as only $5,000, he had traded that in on new machinery and received a trade-in value of $7,000—unless he draws the inspector's attention to that, he does not get the benefit of the extra $2,000. Consequently he has to pay income tax on that additional amount.

It is little things like that that could very well be brought to the attention of the farmer by the income tax inspector at the time the statement is being made out. The farmer has not a sufficient understanding or knowledge of the act to bring up points of that kind. I shall admit that, any time a matter of that kind has been referred to me and I have referred it to the taxation division at Ottawa, they have been very good in taking it up in Alberta and getting the matter straightened out. But it should not be necessary to do that. The inspector should safeguard the interests of the farmer by seeing that something of that kind does not happen. So I would urge upon the minister that he give instructions to the inspectors to be very careful to see that at all times the interests of the farmer are guarded in matters of that kind.

Mr. Barnett: The matter I wish to bring up is in no way related to what has just been said by the hon. member for Acadia, but while he was speaking I was reminded of an incident that came to my attention a number of years ago which affected not a farmer but a small storekeeper. One of the officials of the department to which he has been referring did act in accordance with the suggestion made by the hon. member for Acadia. I remember thinking at the time that that was a very right and proper attitude for officials and inspectors of the department to take—that their interest should be to collect the tax due, neither more nor less.

However, the matter upon which I particularly wished to rise for a few minutes at this time has to do with a question which I had answered by the minister on May 28 with respect to arrangements for having income tax deductions made by Canadian civilians employed in Canada by the United States navy. I placed the question on the order paper asking whether income tax deductions were made by the United States air force and the United States navy from Canadian civilians employed by them in Canada. The answer I received indicated that such deductions were made by the United States air force but that that was not the case as regards those employed by the United States navy. The answer further indicated that certain negotiations had been going on between Canadian and United States authorities in Washington with regard to this matter.

I raise it briefly here to indicate my continued interest in this question and to ask the minister whether he is able to supply any additional information at this time with regard to the progress of the negotiations. I notice that the Minister of Labour also happens to be in his seat at the moment. I think he will realize that this question is one which affects the working people, those on salaries and wages, and is perhaps somewhat related to questions I have directed to him previously with respect to arrangements for unemployment insurance coverage for Canadian civilians employed by agencies of the United States government. Therefore I should like to find out at this time whether the Minister of Labour's department is aware of this situation and in particular whether the Canadian labour attache in Washington is concerned with it and is doing whatever he can to expedite the negotiations referred to in the answer I received to my question.

Mr. Fleming: Is the minister going to answer that question now?

Mr. Gregg: I think the hon. member directed his question to me. Perhaps I could take notice of the question and refer to it on my own estimates, if that would suit the hon. member.

Mr. McCann: Just before the hon. member for Eglinton speaks, I have nothing further to add at this time to the answer which was given the other day.

Mr. Barnett: You will continue to look into it?

Mr. McCann: The matter is being followed up.

Mr. Fleming: There are two or three matters I should like to put before the committee in connection with the estimates of this department in relation to the taxation division. The first concerns a practice which prevailed in certain, at any rate, of the local offices of the taxation division of the department until

not long ago. It was the practice under which taxpayers could bring their returns to the office supported by their receipts, including receipts for charitable donations and other documents that might require to be filed, and could have a receipt given to them consisting of the stamping of a form of receipt on the duplicate return. I am informed that practice was abandoned some months ago. While it is not a practice that has ever affected me personally in any of the returns I have had to file in a professional capacity, I am told that it is a matter of concern to a number of those who file in various local offices, and questions have been asked as to why the practice was abandoned and why it cannot be restored. Does the minister wish to deal with that before I go on to the next matter?

Mr. McCann: I am informed that we made that change a couple of years ago and we have not found any serious objection. Of course, it is a matter of trying to save some money and trying to save a lot of administrative work.

Mr. Fleming: If the minister's answer is correct, I do not think he has grasped the point. It is to give some guarantee to the taxpayer that his documents have been received by the department. As it is, the taxpayer who sends his return through the mail, perhaps with a number of charitable receipts or other accompanying documents, does not know whether the documents have arrived. In due time he will receive his interim receipt form in respect of his payment but it may be some very considerable time before he has any communication from the department by which it is made clear that the department has received the documents.

The practice to which I have referred was one which enabled the taxpayer who chose to go to the local office with his supporting documents thereby to have a form of receipt from the department so that no question could arise afterwards as to the delivery of the supporting documents. I cannot for the life of me follow the minister when he says that this practice was discontinued to avoid expense and administrative difficulty. Surely there is no expense involved in the department in asking them to put a stamp on the duplicate return of the taxpayer who takes the trouble to go to the local office and deliver his return with the supporting documents.

Mr. McCann: There would be very few who would bring their return with them and take the duplicate home. I am familiar with the practice. I remember that in the old days you would present your form and get a receipt for your payment at that time. If you were giving a cheque you did not need it because your cancelled cheque is a good receipt. I presume the hon. member is talking about the actual date on which you make your return and whether or not you get a receipt for your return, for your hospital receipts, charitable donations, and your money, if there is any. As I say, that was discontinued a couple of years ago.

We have not had any complaints to amount to anything and it does cut down the work because the receipt would have to be stamped at the time, and if you go into any of the offices on the last days of filing returns people are lined up as at a football game, so that it all takes time. However, it is only a little thing and we will look into it. If the service can be improved by stamping them as they come in we will have no hesitation in re-establishing that practice.

Mr. Fleming: I thank the minister for that. I can see the difficulty if the taxpayer waited until the last day. There would certainly be difficulty then in handling the situation. It is not a question of the receipt for payment. It is a question of a receipt that will assure the taxpayer that the department has acknowledged receipt of his accompanying documents.

The other matter I should like to mention relates to the question of succession duty. In the budget papers tabled by the Minister of Finance on March 19 in connection with his budget speech, which are to be found as an appendix to *Hansard* of March 20, I find this statement at the top of page 44 concerning succession duties:

> Revenue from succession duties is estimated at $75 million in 1955-56, an increase of $30 million or 67 per cent over the previous year. Two-thirds of the increase came from payments in respect of one unusually large estate.

I think it must be common knowledge to everyone, Mr. Chairman, as to what is that unusually large estate. The press has made the country acquainted with the fact that an estate fell in this year which is the largest in the country's history and will involve the payment of the largest succession duties in all the country's history. I have no doubt that the settlement of the succession duty with respect to that estate will be a very difficult and involved matter. It is something that it will not be possible to settle in a short time.

But there is a broader question that is raised in regard to it. I am referring, of course, to the estate of the late Sir James Dunn and to the fact that one of the executors of his estate is a minister in the present government, the Minister of Trade and Commerce. The stockholdings in the Algoma Steel Corporation apparently form the bulk of

that estate, and that corporation has wide business dealings and I suppose at some stage or other comes in contact with government departments, no doubt such departments as defence production.

I wish to put before the committee this consideration. In an estate of such unparalleled size, where the Department of National Revenue presided over by the minister is faced with the duty of collecting the largest succession duty in the country's history, it is not right or proper that one of the executors of the estate, who represent that estate and its interests in negotiations with the department, should be a minister of the crown. There is here a question of duality of interests which should not be permitted to arise. The principle would exist in connection with an estate of any size, but it takes on a particularly striking form where the department is dealing with the largest estate in the country's history and where the responsibility cast upon the Minister of National Revenue is to collect the largest succession duty collected in the country's history.

This may not be the point at which to raise the question as to the extent of the business which that corporation is doing with the government. On the estimates of other departments there will be an opportunity to go into that question. But I submit, Mr. Chairman, that the position of the Minister of Trade and Commerce in this situation is untenable. He is a member of the government. He sits alongside a colleague whose duty, as a minister of the crown, is to collect an amount of succession duty unparalleled in the country's history. In a situation of this kind it seems to me that the minister's course is to make his choice either to be an executor of the estate or to be a minister of the crown, but that in a transaction of this kind he should not be in that double position. I do not think it is fair to his colleague, the Minister of National Revenue, among other things. I suggest, Mr. Chairman, that whether or not the Minister of Trade and Commerce is taking an active part in the detailed administration of the estate is something that does not matter. Here is his position.

There are other executors, of course. It may be that the fact that there are five other executors of the will of the late Sir James Dunn is sufficient reason why the Minister of Trade and Commerce should now relieve himself of the dual position in which he finds himself as an executor. But I say there is a duality of interests or a conflict of interests which can only be resolved if the minister chooses one course or the other. I say he cannot hold both positions in face of the fact that shortly there will be approaching a situation where the executors must determine what their liability is to the crown, and where the Department of National Revenue must assess the liability of this estate for an amount of succession duty without precedent in the country's history. I therefore suggest that in this situation the Minister of Trade and Commerce must make a choice. I submit that there is here a conflict of interests which cannot be otherwise resolved.

[Mr. Fleming.]

Mr. Zaplitny: Mr. Chairman, I wish to take only a few minutes in order to refer to the statement made by the hon. member for St. Boniface earlier this afternoon in reference to what I had to say yesterday. I regret, and I am sure he will also regret it on reflection, that the hon. member used the term he used in describing the recreational organization in his own constituency as a gambling joint. By doing so I am sure, whether he intended to do it or not, he has cast aspersions upon a great many organizations in our country, including Legion clubs, church organizations and service clubs which carry on exactly the same type of activity in order to raise finances for their various organizations.

I want to make it perfectly clear that even on the basis of what the hon. member himself said, his own description of the activities of this organization in his constituency, that organization is certainly operating strictly within the law. It is a non-profit organization. There is no question of income tax involved in the operations of this organization. With regard to their raising finances in order to support the political party of their choice, I would consider it to be one of the finest ways in which to do it. Certainly it is much better for the people who wish to support the party of their choice to get together in the form of an organization and voluntarily contribute toward that cause than for a party to depend upon large contributions by interested corporations.

The hon. member tried to slough off the donations made by the breweries to his party in the province of Manitoba by saying, "Well, it is a mere $30,000". He is aware, as is everybody else, that it is not a question of $30,000. The party to which he belongs receives millions of dollars from various corporations across this country. This is only an indication in our own province, and the reason it has drawn more public attention than usual is the fact, as he well knows, that here is an industry that operates under a price system set up by the government of Manitoba. Their product is all sold to the government of Manitoba or to the liquor commission at a price, and that government sets the price; and it has set a price which has

resulted in a profit of over $18 million to four breweries in that province since 1946.

It is perfectly improper in my view, and I think in the view of the people of Manitoba, that an industry which deals so closely and intimately with the government of that province should offer financial contributions for political purposes to the party in power. That does not exonerate the other parties that participate in those contributions, but they do not have the same responsibility. The Liberal party in that province must bear the responsibility, because it is in power, of having received contributions from breweries which operate under a price system set up by that government. I regret that the hon. member tried to wriggle out of that position by attempting to cast aspersions upon a perfectly legitimate recreational organization that operates within the law, does nothing wrong and voluntarily makes contributions toward the party of its choice.

I would be perfectly satisfied if the Liberal party in Canada were to operate on the same basis. They could have any number of clubs set up for the purpose of raising finances for their party, and I would not have one word to say in objection because I think it is a legitimate way and a good way in which to raise finances. But it is not a good way when contributions are made by huge corporations that deal intimately with the government.

Perhaps the most classic example we have had in very recent days is Trans-Canada Pipe Lines. Here is a company that has, through the medium of the government, dipped into the public treasury in order to finance its operations. If that corporation is found to be making huge financial contributions for political purposes to the party in power, the people of Canada will have a perfect right to feel suspicious and to feel that they are being sold down the river.

Instead of trying to slough this matter off by saying, "What's a mere $30,000?" in a sort of pale imitation of the Minister of Trade and Commerce who said, "What's a million?" I think the hon. member might stop, think, and ask himself this question. Is it a good policy for his party to appeal for money to the rich and votes to the poor on the promise of defending one against the other. That kind of thing can lead to almost unimaginable kinds of corruption in this country.

I have no apologies to make for what I said yesterday. I still believe that there is a danger. I not only believe that the political parties in this country are likely to fall under undue influence by accepting contributions from corporations which, in themselves, might become a form of political bribe, but I believe that there is also the danger—and I am not yet satisfied on that point—that they are attempting to make these contributions by deducting them from their income at the expense of the public.

Mr. Nesbitt: Mr. Chairman, I suppose one might say that the taxation division of any government is always the most unpopular branch of it, human nature being what it is. I might even go as far as to say that such has probably been the case ever since the days of Pharaoh, the Romans and King Herod. I think, therefore, that any observations a person might make on this particular item of these estimates should be of a general and a constructive nature to try to assist the minister and the officials of his department in correcting certain abuses that I think exist at the present time. The estimates of this department were before the special committee on estimates, and as a result there are certain general observations and recommendations I should like to make. I feel that these conclusions could be drawn from the evidence that was brought before that committee.

First of all, with respect to succession duties I should like to mention the question of the valuation of real estate. As hon. members know, the federal government has its own system of succession duties and certain of the provinces have their systems. As a result of having two different administrations frequently, not in all cases, Mr. Chairman, the provincial authorities and the federal authorities arrive at different valuations on the same piece of real estate. We can all understand how that comes about, because of course the federal department has no right to tell the provincial departments how to value real estate and vice versa. These niceties of distinction as between governments are not so apparent to the ordinary person on the street; and the general public can see no sense in the federal government valuing a property at $30,000 and the provincial department valuing it at $35,000. I think there is some justification for that attitude.

I know there are great difficulties in trying to arrive at uniformity in this matter, but one reasonable recommendation that might be made would be for the federal Department of National Revenue to try harder to work out some arrangements with the provinces whereby valuations could be uniform. I repeat that we all know there are difficulties, but the ordinary man on the street does not understand these things and it does not bring any government, be it federal or provincial, into better respect if we have this situation where one office values real estate at one

amount and another office at another amount. Undoubtedly some arrangement could be worked out if a real effort were made and a common system of valuations, even common valuators, could be arranged in most parts of the country. Then one valuation for the provincial and federal succession duties could be arrived at.

The second thing with respect to succession duties is this. I feel that the department should issue new directives and instructions with respect to the procedure to be followed. I think these new directives and instructions should be complete, clear and concise. They should be uniform. They should leave no room for ambiguity, particularly with respect to certain matters which are as follows. First, disclosure to executors and legal representatives of estates should be made as soon as possible of the rules and regulations that the legal representative or executor should take into consideration before assessment of the assets is made by the department. In this respect I think it should be made clear also to the local officers that the government does not have the attitude, as the minister told us in committee, of "get all you can." This has been mentioned by other hon. members this afternoon. The minister made it quite clear to us in the committee that this was not the attitude of the government. There seems to be some misunderstanding in this respect, and if new directives were sent out it could be made quite clear that this was not the attitude of the government. Annoyance and difficulty as between the government department and the taxpayer could thus be avoided.

Another thing that should be made quite clear to the members of the department and the local offices—and again the minister pointed out very clearly in the committee that this was not the policy of his department—concerns their attitude that they are not missionaries. I have heard numerous complaints from reliable authorities that the local offices have the idea they are not missionaries and they will not disclose to executors or legal representatives of estates rules that might be helpful. As I have said, apparently the attitude of some officials in local offices is, "We are not missionaries". I think a directive from the department should make it quite clear to these local officials that this is not to be the case. The minister has told us that in the committee, and I think it should be made clear to these officials.

I believe it should be made clear to these officials as well that promotions are not the result of "getting all you can." The minister made it clear to us in committee that this was not the policy the department follows in naming promotions. As I pointed out on other occasions I know a great many people, not only in the Department of National Revenue but in totally unrelated and non-government departments, who have the idea that they stand a better chance of promotion if they take this attitude. If the minister made it quite clear to the officials of local departments that they are much more likely to get promotion by giving all the information possible to legal representatives and executors and by doing everything they can to be helpful, further annoyance and further difficulty as between the department and the general public would be alleviated.

Those last two remarks of mine might also be applied to the income tax branch of the department. Another matter I should like to mention is this question of the valuation of what you might call the non-liquid assets of the estate. As hon. members know, when a man dies the assets in his estate are valued as of the date of death. There is no difficulty with things such as stocks, bonds, cash in the bank, mortgages and so on. Frequently the difficulty arises when you get fairly large estates, possibly between $50,000 and $150,000, where the assets are not liquid, in other words not easily disposed of. This situation occurs when you get large farms, and in the southern part of Ontario this applies to tobacco farms and fruit farms. Fortunately it does not often apply to dairy farms, but to the more specialized type of farming such as tobacco and fruit farming. It applies also to various types of businesses. You may have a small garage business or a merchandising business which may be worth $200,000 or $300,000. Even a specialized type of farm may be worth $50,000 or $150,000 under normal conditions when it can be sold without any rush.

However, as hon. members know the succession duty must be paid within a certain period of time. Very often while the valuation of the property is taken as of the date of death, when there is no ready cash available to pay the succession duties these farms or businesses have to be sold at a considerable sacrifice in order to raise the cash to pay the succession duty. As a result the estate, instead of being worth let us say $150,000, may only be worth $80,000 or $90,000; yet the taxes have to be paid on the higher figure. We all understand that there is to be a new act introduced this session, the estates act I believe it is to be called, and I hope when that act comes down this disagreeable stiuation will be remedied.

There is another item which does not come under succession duties but I will include it for convenience sake, and that is the matter of joint tenancy. I would say that a property

owned jointly by a husband and wife should not be taxable as a gift even if it amounts to over $4,000, in other words if the property is worth over $8,000, even if the wife contributed nothing, provided that all the surrounding facts show that the property was placed in a joint tenancy only for convenience in case the husband dies.

I may say that this is a very common procedure in Ontario, and I have no doubt elsewhere as well. A young couple get married and buy a house. The conveyance is in their joint names. In some provinces lawyers and conveyances will put the property in their joint names. As I say, this is a matter of convenience; it is a matter of protecting the wife. If the man dies the property will automatically go to her. Because of the present prices of houses it is not uncommon—in fact it is quite usual—for people to pay more than $8,000 for a house. If all the surrounding facts show that the property is in fact the property of the husband, that he pays all the taxes and carries out all the dealings in connection with the property, if it is in the name of the husband and wife only for convenience sake, then there should be no question of a gift tax.

The regulations require that today as a matter of policy. There is little doubt, Mr. Chairman, that policy and procedure cannot help but overlap to a certain extent. In fact, Mr. Chairman, I would go so far as to say that the family home—I repeat, only the family home—should be considered as jointly owned by husband and wife, if they so desire it, with no question of gift tax at all. I think that is a socially desirable thing. Young couples start out by buying a piece of property. After all, the wife does contribute to the value of the home. She looks after the children, cooks the meals and maintains the property. I do not think the Department of National Revenue or the government would be out very much money if the husband and wife could consider their home—and I say only their home, not any other property—jointly owned so that no gift tax would be payable at all.

I should now like to say a word with respect to income tax. I think it is rather a pity, Mr. Chairman, that the amendments to the Income Tax Act proposed by the hon. member for Kamloops were not adopted. That is past history now. We hope that in the future they may be considered more favourably by the Minister of Finance. However, I should like to recommend that directives be sent out to ensure uniformity of procedure in all local offices of the income tax division. Those directives should be clear and concise. According to the evidence given recently in the committee on estimates that is not always the case.

Let me give one example. I refer to a matter which I mentioned in the special committee on estimates, which may be found at pages 820 and 821 of the proceedings of that committee. It was stated at that time, for instance, that medical receipts were returned to the taxpayers if they required them for record purposes, and so on. However, at that time I read into the record a letter from the London office which clearly showed that in that particular instance medical receipts were not returned. Although the department clearly stated it was the policy at that time to return them if they were required, yet I read a letter showing that medical receipts were refused a taxpayer. It would be wise if a complete set of uniform directives were sent to the various branch offices of the department.

Again on this matter of income tax, I would urge the officials here to see that the policy and instructions of the head office are carried out a little more closely than they have been. Again I refer to volume 20 of the proceedings of the special committee on estimates. At page 843 the hon. member for Middlesex East referred to documents that are taken by the department for purposes of investigation. The minister said, as reported at page 843:

> They are released as quickly as we possibly can release them. Take for instance a doctor's cards that we seize, and the like of that. The way the doctors keep books nowadays they usually have a card system with the history of the patient on one side of the card and the account on the other side. When those are taken into the office, as I have said on one former occasion, we have photostat machines in every office throughout the country, and photostatic copies are taken of these different cards, and the accounts, and they are released as quickly as possible.

Then the minister went on to make other remarks in this regard. He said:

> We think that we are within our rights in retaining them until that can be done.

No one questions or quarrels with the minister's policy in that regard. However, earlier this year, in remarks I made on the address in reply to the speech from the throne, I pointed out that one businessman in the city of Woodstock had the records of his business taken by officials of the department last July, almost a year ago. At the time I made my remarks on January 16 last those books had not been returned. That was six months ago and to my knowledge, Mr. Chairman, they have not yet been returned. I may be mistaken in that, but I believe they have not yet been returned. Certainly they were not returned six months ago. This is

a large commercial business in the city of Woodstock and the retention of those documents has caused a great deal of inconvenience. I mentioned also that the departmental officials had lost some of the records. It was an accident that could happen to anyone. I am not objecting to that; it was an accidental thing, but here is a case where records were not returned for at least six months, and so far as I know they have not been returned yet.

I have another matter that I should like to touch on briefly. These matters were not brought up in the committee. There are additional subjects that I should like to mention. The first has to do with investigation. The department, of course, has to make investigations in certain parts of the country. The department has to make spot checks and investigations to see that people are making just tax returns. We all recognize that. I think when the department are doing this they should follow some sort of impartial policy. In other words, if they feel that in a certain township a certain area has to be investigated, that is all right; investigate every farmer along the road.

But it is my information—and a great many people believe it, and I hope the minister will clarify it—that very often someone who has a grudge against a neighbour will write into the department and say, "I think Tom Jones has been getting away with a great deal of income tax; you ought to investigate him". The department then comes along and investigates the person who may or may not have been attempting to evade income tax. Regardless of what the situation is, I do not think it is good policy for the departmental officials to make investigations on complaints received by letter. On an earlier occasion I mentioned the situation at the time of the French revolution. If somebody wrote a letter the person was arrested and locked up the next day. This system might cause endless inconvenience to people. It is something that should be considered.

It is my understanding—again I hope the minister will give us some clarification on it or deny it—that very often the books of professional men, doctors, lawyers, accountants and so on, are taken and held for investigation, not for the purpose of investigating that particular doctor, lawyer or professional man but for the purpose of getting comparative records to investigate somebody else.

Mr. McCann: That is not so at all.

Mr. Nesbitt: The minister says that is not so. I am very glad to hear that. I shall not continue with my remarks.

[Mr. Nesbitt.]

Mr. McCann: You cannot give one single instance of where it has occurred.

Mr. Nesbitt: The minister says it is not so. I am happy to hear that. That is why I raised the question. A lot of people have suspected it. I am glad the minister has cleared it up.

With regard to keeping the books of professional people, the minister says they are returned as quickly as possible. That may well be, but I do not think so. I know of one case, and this is certainly not hearsay. A veteran was trying to get his medical expenses deducted. He was in receipt of a pension, and he had certain receipts from the doctor. He tried to get the receipts and could not get them because the Department of National Revenue was holding the books of this particular doctor and held them for months. Eventually the matter was cleared up. The inconvenience in this particular case was caused after the man was declared eligible for a pension but medical receipts had to be produced within a certain time and the doctor could not provide them. As I say, fortunately it was cleared up but there was some difficulty.

I have one last item to bring up, the matter of allowable deductions for entertainment costs incurred by commercial firms. As hon. members know, this deduction is rather elastic. It must be reasonable. The head of a company brought to my attention a case where certain entertainment expenses had been incurred. The department agreed that they were reasonable and wanted to know how many people had been entertained. This man told them five people, including himself. He was told that he could not deduct the cost of his own dinner. It was a trifling amount but it illustrates my point. I hardly think the department would expect the head of a company entertaining other men at dinner or luncheon to bring his own sandwich. I believe this is a matter that might very well be brought up. I see my time is moving on, and as other hon. members may want to say something, I shall terminate my remarks.

Mr. Herridge: Mr. Chairman, I have been quiescent on these estimates up to now but I do want to make a few observations on a matter which will be of interest to people engaged in the mining and lumbering industries in British Columbia. Before doing that may I say that I appreciate the courtesy I have received from the minister's officials in Ottawa and in the district office in Vancouver. I have found them willing to go into all aspects of any case brought to their attention.

I am informed that after the war certain industries which were of a wartime nature and therefore temporary were allowed to charge the cost of plant, in some cases the cost of equipment and in other cases the cost of houses they had erected, to their operation costs. In some cases companies had made arrangements with their employees to purchase houses, and as a result of the arrangements made with the taxation department those employees received back certain sums which the company had been able to recover because the cost of the houses was considered to be a cost of operation.

That was a very proper thing to do, but we have another situation in British Columbia where mining or lumbering operations are brought to a close because resources have been depleted. As a result the investment made in plant, equipment and perhaps housing is of no value. I have received my information from several sources, and I am not sure if I am completely or accurately informed, but could the minister state if the government has considered applying this principle to mining or lumbering operations which are brought to a close because the resources being developed are exhausted and therefore the investment in plant, property, equipment and housing is valueless.

Mr. McCann: Mr. Chairman, I am not familiar with the matter to which the hon. member has referred and perhaps it would suit his convenience if I looked into it after I receive a report of what he has just said and give him an answer privately.

Mr. Michener: Mr. Chairman, I should like to raise one question of administrative efficiency having to do with the deduction of income tax at the source and the liability of the employee for such taxes. In effect you have two parties responsible for the payment of the taxes, the employer whose duty it is to deduct and remit the taxes and the employee whose duty it is to pay the taxes. Perhaps the minister could tell the committee how this administrative problem is handled. I had noted some questions I should like to ask. Is there a file for the employer with respect to each employee? Is there also a separate file with respect to each employee? Which is the control file? How is information passed from one file to the other? Does the same member of the administrative staff have the responsibility for both files?

I ask these questions because there is a problem in connection with collection and not demanding the same taxes where two people are responsible. I have a case which I intend to cite to the minister. If the employer has paid, it is important that no demand should be made upon the employee for the payment of the same taxes. It is not only bad administratively, it is most annoying to the taxpayer to be asked to pay something which has been paid already.

Before the minister answers I should like to cite a particular instance which was brought to my attention. I do not expect the minister will know about it because this arose in Toronto. A Miss Marjorie E. Dixon was employed as a temporary stenographer in certain law offices, moving about from one to the other. In the case of employment at one office she had noted the amount of pay received and made her return on that basis, but her employer was in error in thinking that she had been paid $50 a week instead of $55 and he deducted and remitted her tax on that basis. When she filed her return there was an obvious discrepancy, as there was an amount which should have been paid by the employer. The employer was advised of this and he paid the amount promptly, but the officer of the department who was trying to collect the difference from the employee did not seem to know this and for a period of weeks when an exchange of information might have taken place, demands were made upon the employee for payment.

Mr. McCann: The case the hon. gentleman refers to indicates the small errors that can occur in any office or in any business. In the set of tables which are distributed before the beginning of the year are set out the deductions that should be made relative to weekly wages or annual salaries. Those deductions are to be made from the employee's salary and remitted to the district office before the 15th of the following month. The director of the district office is the person who has full charge of that, no matter which official or set of officials of the division it is referred to. At the end of the year he sends in a form which indicates the total deductions that have been made from the salary of that employee throughout the year or, if he has not been employed by the same person, the number and the amount of the deductions made. The employee himself fills in a form, his return, and he says that he has had deducted $10 per pay or per month, or a total of $120. Those two are put together in that district office, and if they do not correspond then we attempt to find out where the discrepancy has arisen.

It may well happen that there has been a change in the rate of payment. That employee may have worked for only six months, so he may have had three or four jobs in the one year. If so, then he has deduction slips from these different people. I may say that with the millions of returns—and it runs into millions—where money is deducted at

the source, we do not have very much bother with them, and in the matter of the sending in of the amount of money, we take into consideration where the employer is doing business. He may be a lumberman or he may be in a mining operation, and you cannot have that man sending the amount so as to reach the district office by the set date. We are very considerate of that, but if an employer persists in being dilatory in sending in his returns it is sometimes necessary to take into consideration what is in the law and what has to be done with that employer, and the penalty probably is inflicted in order to spur him up and have him conform with the law. I do not know whether there is any other answer I can give.

Mr. Michener: I have followed the minister's answer so far, but can he carry it one stage further? In this case the discrepancy was discovered when the employee's return was received. Then it was brought to the attention of the employee, who went to the employer who had made the error. The employer then paid what he had failed to pay, plus the penalty that was charged. At that point there seemed to be a breakdown, because that payment was not communicated to the person who was demanding the same payment from the employee. Payment had been made by the employer, but there was nothing to let the left hand know what the right hand was doing.

Mr. McCann: I get your point. A further slip should have come in that would make it known that the difference had been paid. That is where the employee had a right to protest. But the employer was not under obligation to pay that amount, because he had deducted on the basis of the wage that he thought that this employee was obtaining. The difficulty was that they notified the employee that he or she owed a certain amount of money that should have been deducted at the source by the employer. I presume the employer realized that it was his mistake, and rather than have a whole lot of negotiations he paid it.

Mr. Michener: Yes, that was so; but what I was concerned about was the state of the communication or liaison in the office in Toronto, where you have the employer paying and the employee liable, so they are coordinated in some way. Does the control lie with the employee's file in a case of that kind?

Mr. McCann: Yes.

Amendment agreed to.

Mr. Knowles: I wish to speak either to the amendment or to the resolution as amended.

[Mr. McCann.]

Mr. Monteith: Are we still on item 289?

The Deputy Chairman: Item 289 as amended.

Mr. Knowles: It was my intention, Mr. Chairman, to comment on some of the matters that were discussed by the hon. member for Hamilton West, but I noticed that later the Minister of Finance suggested that she had been given quite a bit of latitude and I think the implication of the minister's suggestion was that he hoped others would not claim the same latitude. I assure him that I shall not do so. I should like, however, just to say in a sentence or two that I was glad that the hon. lady raised once again the question of the floor under medical expenses.

In spite of the fact that the house has made a decision on that matter at this session, and despite the fact that no change in that regard has been included in this year's budget, I hope the Minister of Finance will give consideration to it in preparation of that next budget which the Minister of Citizenship and Immigration reminded him earlier he might be making before the end of this parliament. Whether or not there will be another budget before the end of this parliament is not a certainty, but if there is one I hope he will do something about that floor. If he follows the practice of recent years he will reduce it another notch. That is better than leaving it where it is, but I hope that next time he will wipe it out altogether.

Now I turn to two or three things which I believe are administrative rather than in the policy field, though the first one may be on the borderline between administration and policy. On several occasions cases have been brought to my attention similar to one about which I received a letter a short while ago. This is the case of a taxpayer, a married man, who is contributing rather heavily to the support of a widowed sister in law who has a number of children. The taxpayer and his wife are both working now, although that gets away from the main point about which I am concerned, for the result is that the taxpayer in question has to file his return on a single basis.

However, what did disappoint him greatly when he went to the officer in charge—this was in Toronto, I may say—was to discover that there was not any way in which he could claim the deduction for the children of his widowed sister in law, who of course are his nephews and nieces. The officials whom he saw in the Toronto office read to him section 26 of the Income Tax Act. When he saw the part that refers to child or children without any reference to them belonging to the taxpayer, he was hopeful that since he was contributing to the support of these children

he would be able to claim $150 or $400 deduction for them. I believe they are all of family allowance age in this case, so the amount he was seeking was simply the $150 each. However, the officials indicated to him that the reference to child or children is only in that part of section 26 which deals with the right of the taxpayer to claim $2,000 exemption as a person who is maintaining a self-contained domestic establishment, supporting therein a child or children under 21 years of age, and so on. It was pointed out to him, on the other hand, that later in the section, indeed in the subsections where his case has to fall, the reference is to a child or grandchild. The reason I say this might be a policy matter or might be a matter of administration is that the income tax official with whom this taxpayer dealt did use the word "interpretation". He said that as the law was now being interpreted, though nieces and nephews were not excluded in a case such as his, they were not included, and therefore the official who handled this case felt that this man could not be granted this exemption.

It has been indicated to me that it is not an unusual type of case where, as the result of the death of a brother, someone else in the family does make a substantial contribution to the maintenance of the fatherless nephews and nieces. I would hope that the minister might take a look at this and see whether it is a type of case that can be dealt with by a reinterpretation of the section, by regulations based on the section or in some other way. I appeal to him to attend to it as soon as he can if it can be done in an administrative way; but if after studying it he comes to the conclusion that the matter cannot be dealt with administratively and does call for an amendment to the act, I hope he will take the matter up with his colleague the Minister of Finance. In human terms it does seem that in a case like that, where a taxpayer is contributing substantially to the support of nephews and nieces, he should have the right to deduct the $150 or $400 allowance with respect to those nephews and nieces.

The next point I draw to the minister's attention is one I have raised on various occasions in the past, but I ask him once again to study the matter of including on the T-4 slips a place for amounts deducted for trade union dues, particularly in the case of some of the large employers who handle the payment of trade union dues under a check-off arrangement. The employer is already doing the bookkeeping involved in the check-off, and it does seem that it would be a matter of simplicity and a matter of fairness if the T-4 slip had on it, in addition to the other items such as income tax deducted at the source, pension fund contributions and so on, a place for the entry of the amount of trade union dues deducted in that way.

I know that one of the answers the minister may make is that the law with regard to the deductibility of trade union dues has certain qualifications. Not everything that is paid to a trade union as dues, though it may seem to the member of the union to be dues, is allowed as dues for the purposes of the act as it now stands. However, there are some cases where everything that is paid does meet the conditions of the law; and in those cases where it does not—in other words if this issue is also part administrative and part policy—I would hope the Minister of National Revenue would deal with it himself in so far as it is administrative and make appropriate strong representations to his colleague the Minister of Finance in so far as the matter is one of policy.

Mr. Gillis: Initiation fees.

Mr. Knowles: My colleague the hon. member for Cape Breton South has mentioned the initiation fee as one of the items involved in joining a trade union which is not allowed for purposes of income tax deductibility. It seems to me that some less complicated way could be found than now obtains with regard to the portion of trade union dues that is allowed. Just as a suggestion I throw out to the minister that instead of the complicated set-up now existing, which requires some trade union secretaries to do quite a bit of arithmetic and establish the percentage of the dues that have been paid that is allowable —and sometimes it is a percentage that runs to at least two decimal points—some ceiling on the amount could be fixed.

I have heard the fear expressed that if there were no limitations of any kind some union members might decide to pay rather fantastic sums to their unions for benefits that might come back to them so they could get the benefit of income tax deductibility in that way. I certainly do not know of any instances where a practice of that kind has been tried but, as I say, a way to avoid that would be to survey the field as to the level of trade union dues being paid. It would work out as a certain percentage of the wages of the worker, and some reasonable percentage sufficiently above that figure could be set so that everything a trade unionist paid by way of dues might be allowed as deductible for income tax purposes provided it did not go over that reasonable percentage of his wages. It does seem to me that would be a far more practical and fairer way than the one that obtains at the present time. I am free to admit that this is in part administrative and in part

policy; therefore I am glad that I have the attention of both the Minister of National Revenue and the Minister of Finance on this point.

I move on to another suggestion I should like to make to the minister. In the page of information that is attached to the T1 short form which was put out this year there is one paragraph which reads as follows:

> Income from pension fund—If you received a lump sum payment out of a pension fund during the year, the amount must be included in your income for the year but may be subject to a reduced tax rate. For further information on this point, inquire at your district taxation office.

As the minister knows, this relates to the special treatment that can be accorded a lump sum that a taxpayer receives out of a pension fund by virtue of the terms of section 36 of the Income Tax Act. As the minister also knows, earlier in the session I inquired whether the department would not consider putting out some special forms to enable people to deal with a claim they might be in a position to make under section 36 of the act. The minister did not feel that that was necessary, but drew attention to the fact that there is this paragraph in the explanatory notes attached to the income tax form.

What I wish to point out is that there is more in section 36 than is referred to in this explanatory paragraph. If one reads section 36 carefully he discovers that it is possible to get the special treatment that is accorded payments of that kind, a treatment that involves comparing the total amount of tax you paid over the past three years with the total amount of income you had over the past three years, but what I was about to say was that in addition to it being possible to get that special treatment for lump sum payments out of a pension fund there are certain other lump sum payments than can receive the same treatment.

For example, if a person is dismissed from his employment and is given a lump sum in lieu of a period of time—weeks, months, or what have you—I am told that also is the type of lump sum that can be accorded special treatment. A person can receive money because he has been retired or laid off for other reasons than going on pension. What I am suggesting at this point is that this paragraph I read from the explanatory notes that are attached to the income tax form should tell the taxpayer more than it tells him at the present time. At the moment all it tells him about what is contained in section 36 is that he can get special treatment for a lump sum payment out of a pension fund; but since the section provides for special treatment for certain other lump sum payments as well I think some reference to them should at least be included in the explanatory notes attached to the income tax form.

[Mr. Knowles.]

Mr. Chairman, I should like to draw one other matter to the attention of the minister. As he knows because of the sessional papers he has tabled this year in response to questions I have placed on the order paper, it is now common knowledge that the department has on hand a rather sizeable sum of money in refunds that have not got back to the people to whom they belong. I refer to sessional papers No. 106-C and No. 106-D, both of which were tabled on Wednesday, March 14, 1956, in response to questions I had placed on the order paper. One of them had to do with wartime compulsory savings refunds. It is quite a while now since those refunds were all to be paid back to the people to whom they belong. But apparently as of January 31, 1956, there were still refunds due to some 63,203 persons. The amount on hand for those persons was $2,923,951.48. In addition to that, it turns out as follows; if I may, I should just like to read one sentence regarding income tax refunds in general from sessional paper No. 106-D:

> The total amount of income tax refunds outstanding as unpaid to individuals, as of January 31, 1956, was $2,501,393.05.

If you add those two sums together you will find they add up to something over $5,400,000 of money which is in the possession of the department and which rightfully belongs to individuals across Canada.

The minister included in the sessional papers his answers to my questions as to what steps the government has taken to get these refunds to the persons to whom they belong. He indicated that a certain amount of investigation has been carried on and that a considerable amount of advertising has been done. But it still seems to me that if the government were as anxious to get this $5 million back to those people as it would be to get in the money that the same number of people might owe to the government, it could make better headway than that.

I would appeal to the minister to give some more serious thought to ways and means of finding out where these people are and getting this money to them. In all probability these people who have wartime compulsory savings refunds coming to them are little people. The so-called big people seem to know their way around with respect to getting back refunds of this kind. I am sure that while many of these refunds will not be very large sums of money, they will belong to people to whom any sum of money would be a godsend. I would urge that some serious

thought be given to finding a way of getting this money back to the people to whom it belongs.

In that connection—and in part of what I am now going to say I shall make mention of the other side of the coin—I was also interested in the question of whether there are people who have had tax deducted at the source but who, through failure to file an income tax return at the end of the year, have not got back moneys to which they are entitled. Undoubtedly there will be people—and this ties in with the discussion that was held just a few minutes ago between the Minister of National Revenue and the hon. member for St. Paul's—from whom deductions are made at the source during the year but with respect to whom, for one reason or another, perchance because they do not work the whole year or because they move from one job to another and the rate of pay changes, when the year is done the total amount deducted at the source can be greater than the amount which the taxpayer would really be obliged to pay.

There are many people who find it difficult to dope out income tax matters and who just do not bother to file their returns. There can be people—and I am sure there are—in that category who have overpaid their income tax during the year by means of amounts deducted at the source but who, because they do not file returns, do not get their money back. This was a question I put on the order paper. It is found at page 2587 of *Hansard* of March 23, 1956:

1. For each of the last five taxation years for which the statistics are available, how many persons from whom income tax was deducted at the source did not file an annual income tax return?

The reason I asked that question was as I have already indicated. I am concerned about these people who have too much deducted at the source and who do not get it back. The answer to that question was: "No information available". My next question read as follows:

2. By years, how many of such persons were found, or believed, to have a refund coming to them?

The answer again was, "No information available". That answer rather startled me for two reasons. First of all, it seemed rather strange that there could be people making payments through deductions at the source, and overpaying during the course of the year, with the government through this department having no information about those people. In other words, by virtue of not having that information, by virtue of not checking such files, these people inadvertently are left in the position of having paid more than they should have paid during the year, yet they do not get their surplus back.

But what I realized when I saw that answer —though I admit that this was not what I was out for when I put the question on the order paper—is that the reverse can be true if the answers here are correct. As I interpret these answers, they seem to be at variance with what the minister was saying to the hon. member for St. Paul's in another connection a moment ago. As I interpret these answers, no record is kept to ascertain how many people there are from whom deductions are made at the source but who at the end of the year file no return.

As I say, I started out concerned about the little fellow who pays in too much, but there may be some of the other variety. There may be people who have not paid enough through deductions at the source, and they just let it go. They just do not bother to file a return. The Minister of Finance said the other day that one of the jobs of the income tax department is to collect taxes fairly; he said it is just as important to collect the taxes that are due as it is to grant the concessions that are provided by law. Well, if this answer means what it says, I suggest it may well be that there are people who, whether through inadvertence or whether it is because they do not know how to fill out an income tax form or for any other reason, have not had enough deducted at the source but they do not do anything about it. They do not file a return.

The minister says there is no information available as to how many such people there are. I assumed that there would be some means of cross-checking between every person for whom a deduction at the source is made and every person who files an income tax return. Assuming that is done, it would seem to me that then if there are people who have deductions made at the source who do not make any returns, the government would know how many there are and would be able to ascertain whether that situation arose because the people concerned were paying too much or paying too little. The minister says, in reply to my question at page 2587 of *Hansard*, that no information is available as to how many people there may be in that category.

Now, the Minister of Finance and I will join in making representations to the Minister of National Revenue on this point. The Minister of Finance, I am sure, would want some checking done with regard to those people who have not paid enough, and the representations I make are for the other people who through deductions at the source pay in too much during the year but who through

failing to file a return do not get a refund of the surplus they have paid. It seems to me there is an obligation on the department to meet the representations the Minister of Finance is making through my mouth—

Mr. Harris: But not exactly as you describe it; not as much as I can get but as much as the statute provides.

Mr. Knowles: I am sure the minister would not disagree with what I said, that he wants what the statute calls for to be collected.

Mr. Harris: That is right.

Mr. Knowles: That is the position of the minister. My position is that I do not want any more than that to be collected, through inadvertence or through the department not having the records and not having the information as indicated by the minister's answer to my question. I would hope, Mr. Chairman, that this matter, as well as the others to which I have referred in these remarks, will be looked into by the minister. I would be glad to have his answers during the course of the debate on any of the items I have raised. In so far as they may call for some research and some administrative changes, even after today, I hope he will give them serious attention.

Mr. White (Middlesex East): Earlier in the session I made some remarks regarding the bill presented by the hon. member for Kamloops. On that occasion the amount of time available was limited, and I was not able to finish all I wanted to say to the house and to the minister.

It was my privilege to be a member of the estimates committee, and I just want to draw some conclusions from my experience on that committee for the benefit of the house. First of all we considered the estimates of the excise and customs branch. I was certainly very favourably impressed with the results of the work of that committee. All the questions and criticisms that were brought forward were very ably handled, and I think to the satisfaction of the committee. Very good explanations were given for the decisions and rulings that were made in cases dealing with customs and excise.

I was a bit, what shall I say, shocked at the change of pace and attitude with respect to the income tax division in that committee. It seemed apparent to some of the members —I will not say most of the members—that there was not likely to be any admission by the department that any errors could possibly arise. In practically every case where a member brought forward a complaint there was evidence brought forward to show that somewhere along the line there was some mistake, and it just could not possibly be that way. There were a number of things I wanted to bring to the minister's attention in that committee, but I felt it would be futile and the result would be more or less an okay of the work of the department and discrediting, as far as possible, the member who brought forward the objections. Perhaps I am wrong, but I regret that is the feeling I brought out of that committee.

The hon. member for Kamloops introduced his bill, and I mentioned that it did not go far enough. His suggestion was that the returns should be finalized in a three-year period. I mentioned last session, and I mention it again now, that in cases involving $10,000 or less the department should be able to process the taxpayers' returns and give a final receipt—except in cases of deliberate fraud—within 12 months from April 30. The taxpayer is given 4 months after the end of the calendar year to make up his return, and surely if the department had one year from that time it would be adequate, if they are as efficient as they would like the public to believe. At that time I brought to the minister's attention the fact that many county councils signified their belief that that could be done and should be done.

The hon. member for Perth dealt very fully with the net worth statements. Therefore I shall not comment further except to say that I heartily endorse what the hon. member for Perth said yesterday. The hon. member for Hamilton West dealt with payments to retirement plans. I just want to point out here that self-employed persons are not allowed to deduct payments they may make to any retirement plan, yet self-employed persons are contributors to all these other plans because of the fact that payments become part of the costs of the things these particular companies make and sell. Consequently these self-employed persons are not allowed to deduct pension payments made on their own account but they are helping, in a way, to pay into these other retirement plans.

From time to time I have mentioned in this house the advantages of profit-sharing plans in industry and the good relations that can be developed through such plans.

These profit-sharing industries in Canada and the United States have made representations to the effect that until the profits that accrue to any employee are actually in the hands of that employee they should not be taxed; otherwise he may be taxed on funds he never will receive. Even the chambers of commerce recommended that the right to assess be limited to one year dating from the assessment, but that is not good enough because the assessment may be delayed one,

two, three, four, even five years or more, and consequently the taxpayer would not stand to gain under such a plan.

Just recently I listened to the minister, and I am going to quote what he said as recorded on page 820 of *Hansard* for February 2 of this year. That he of all men in the house should use these words and then have his department act as they do is something I can hardly understand. This is what he had to say:

> As everyone knows from common knowledge, from time immemorial the Englishman's home has been his castle, and all matters pertaining to him and his family are protected by law from trespass or exposure. You cannot enter his house without his permission. You cannot ascertain his private affairs without voluntary disclosure. This right of privacy that every Englishman possesses is as strong in this country and in all the countries of the commonwealth as it is and has been from time immemorial in England, from whence we draw so many of our laws and so much of our tradition. This right of privacy that every Englishman possesses is, as I said, as strong in this country as in any other.

Then his department goes about denying all these things. Probably, after the furore of last week, I should not say a great deal about abuse of power, but all through history we find individuals seeking power. The more power they get the more power they want, and the more power they get the more glory they get. I would point out to the minister that power is fleeting. I need only mention a few names; Peron, Mussolini, Hitler, and all down the line. Power is fleeting, so be careful how you use that power.

The people with whom you are dealing are, in most instances, hard-working people. They are not acquainted with all the fine points of the law. In fact I intended to have on my desk the office consolidation of the Income Tax Act and all the amendments that have been added to it. The minister has heard, and I have heard, of Philadelphia lawyers, but all the lawyers in Philadelphia could not interpret them alike. Yet the taxpayer is expected to know just where he stands in connection with these many laws. Just while I am dealing with that may I say I have on my desk a letter from a constituent of mine dealing with the joint ownership of property. He says:

> Six months after death of the wife income tax assessed for a few hundred dollars.

He said they had owned the property jointly for six years. He also said that a well-known firm of lawyers had advised him that no gift tax would be assessed in this particular case. Yet six months after the death of his wife he was confronted with a demand for an amount which he paid, and then of course he protested about it to me, but there he was. He goes on to say:

> When I confronted my lawyer with the statement he made to me, he said, "It is quite evident nobody knows just what the income tax department may do; nor can any ordinary citizen interpret their rules and regulations".

That is what the taxpayers are up against. They find that a rule that may be applied in one case does not apply in another. I am not blaming the minister too much. These things go on because the people in the different districts have a considerable amount of power, and perhaps these things go on without his knowledge. These usages and customs have grown up like Topsy over a period of years. I imagine the minister may admit that some of these questionable practices have gone on, but he will defend the system.

I want to point out that, on the other hand, knowing about the practices and allowing them to go on is a disgrace. If he does not know that they are going on, it is certainly time he did. We have heard a lot in years gone by about the four freedoms, the freedom from want, the freedom of religion, the freedom of speech and the freedom from fear. I mentioned this question of fear before. Not only the taxpayers, but accountants and lawyers do not want to take any part in it because they are afraid of what might happen.

Mr. Chairman, it is six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. White (Middlesex East): Mr. Chairman, when the committee rose at six o'clock I was dealing with the administration of the Income Tax Act and had pointed out to the committee a statement made by the minister on February 2, 1956, in which he upheld the traditions of British justice and the fact that the home of a Canadian as well as that of an Englishman was his castle. I pointed out what power was doing to and for these men.

I should have mentioned that during the years since the Russian revolution one thing that has been pointed out to us as something to fear as probably the greatest menace to the freedom of the individual was a knock on the door in the middle of the night by a member of the gestapo. These fellows do not wait for night; they do not even knock on the door. They just walk in. They do not take possession of your person but they take possession of your papers and you are lucky to get them back, as was pointed out by the hon. member for Oxford not only in committee today but in the committee on estimates. I do not want to dwell too long on

that aspect of the situation, but it gives us cause for thought as to how far we can go along this line.

When I was dealing with income tax problems earlier this session I brought a case to the attention of the minister. I did not mention the name then, but I shall mention it now. I pointed out that for some ten years a girl named Mary Vegso had worked for her father barefoot in the tobacco fields. When she was married her father gave her all her back wages, and in all some $1,900 was paid over, on which she was taxed. An appeal was taken to the income tax appeal board. At that time I neglected to point out that in order to justify his findings the assistant chairman of the board went back to Partington *v.* Attorney General, a case decided by Lord Cairns in 1869, two years after confederation.

I want to point out to all new Canadians that ten years from now they may find themselves in a very difficult position. I know of many cases where families have come to this country and purchased farms with small down payments. There may be some older children in the family who go into town to take positions and bring home a good portion of their weekly or monthly earnings in order to help the mother and father pay for the farm. What is going to happen ten years from now? The income tax department will come along and slam on a net worth statement, and the hard-working father and mother and children will again have to pay income tax. I warn all new Canadians to beware and so guide and guard themselves that they will not be caught in this trap a few years later.

When I spoke on this matter earlier in the session I mentioned the fact that Eaton's and Simpsons were able to service 50,000 mail orders within 24 hours, and in some cases have the order in the mails within 20 minutes. At that time the Minister of Finance questioned my statement and intimated that they must have many more employees. In the time that has elapsed since then I have found out that Eaton's employ 5,500 in their mail order departments. Simpsons would not give me the exact number they employ, for one reason or another, but I think we can assume the number would be about the same. A return in answer to question No. 442 in my name shows that the taxation division of the Department of National Revenue employs 7,454 people. It should be noted that these mail order houses handle 50,000 orders a day, not a week or a month or a year. Consequently they must operate much more efficiently than does the department.

[Mr. White (Middlesex East).]

I point out to the minister most seriously that an election is coming up in the not too distant future, and if he wants to hang on to the reins of power I think he should follow the suggestion I make that income tax returns for $10,000 and less should be processed within 12 months of April 30. If he did that he would gain himself a lot of favour. As far as I am concerned it is probably just as well if he does not do that, because then we would be sure of coming back.

Before my time expires I should like to draw the attention of the minister and the committee to an article which appeared in *Saturday Night* of September 4, 1954 dealing with the responsibility of ministers of the crown to the people and how they should act under certain circumstances. This article reads as though it were written only yesterday and not prior to a week ago. I quote:

> When ministers refuse to share the blame for waste, inefficiency and worse in their departments, they are admitting that the job of government has grown too big for them; they are claiming, in effect, that while they should still be trusted with the direction of the nation's business, they should not be expected to worry about the people they have hired for the day to day handling of that business. If we condone this attitude, we must be prepared to accept the inevitable result: the end of our control, as electors, over the way we are to be governed.

I ask the minister to give serious consideration to this case. There are many people who after years of paying income tax may find that the whole thing is thrown open again and they may not know where they are at.

Many people think agriculture does a lot of howling, that our farmers are not too badly off, but such is not the case. With another round of increases apparently in the offing for labour and industry the farmer is going to find himself in a still tighter squeeze. I do not know how he is going to find money to pay increased taxes, and I think many of them will just throw up their hands and decide to get jobs with the government. They just will not be able to find the money with which to pay taxes. It is just that serious. I want the minister to give this very serious consideration before the next budget rolls around.

Mr. Gillis: Mr. Chairman, I am going to try to give the minister a little advice. I would like to see him come back next time. The hon. member for Middlesex East has done his best in this regard.

Mr. McCann: Don't be too worried over that.

Mr. Gillis: I have a few odds and ends which I have taken up with the department

in an effort to get them ironed out behind the scenes, but I was not successful. I want to follow up for a minute what the hon. member for Winnipeg North Centre was saying with respect to union dues. I took up with the department the matter of initiation fees. A new member going into a union may have to pay an initiation fee of from $50 to $200, and that is paid within the year.

The answer I got from the deputy minister was to the effect that the act as it stands at the present time only makes provision for annual union dues. Those words "annual union dues" constitute the crux of the situation. If the word "annual" was taken out items like initiation fees could be included. This is a much larger item than the annual union dues.

Second, there is not only the initiation fee that is contributed to the union; there are other special assessments. For example, some unions set up a yearly assessment on the membership for the purpose of creating a fund that would take care of indigent members of the union. That is a contribution of perhaps $50 a year on the part of the average member.

Third, there are times—and the Oshawa strike is an indication of this—when either a strike or a lockout occurs over which the average member has no control. That may run on for six or ten months, and during that period the union makes provision in many cases by providing credit with merchants and so forth for the membership. That organization may accumulate a bill for $300,000 or $400,000. When the men return to work a special assessment is put on the membership to pay off the bill that accrued during the period of the stoppage of work.

These are all union contributions. The wording in the act today, "annual union dues", prevents any consideration being given these other union contributions. I am suggesting to the minister that he might give consideration to changing the wording of the act so as to provide for these other legitimate contributions that take place from time to time.

Mrs. Shipley: Would the hon. member permit a question?

Mr. Gillis: Surely.

Mrs. Shipley: Would the hon. member suggest that the contributions made to the C.C.F. party for political purposes should be tax free?

Mr. Gillis: The union member as such makes no contribution to the C.C.F. party. In my own case, for example, I belong to the mine workers of Nova Scotia, who have always followed the British pattern. As far back as the 1900's, when we first formed our labour party in that province, the mine workers of Nova Scotia did exactly what the union membership in Britain does. They affiliated with the labour party. They paid 5 cents per month per member into the union treasury. That did not mean any special assessment on the membership. A member paid his regular dues, but the main union office, out of its share, made that contribution, so there was no additional contribution on the part of the member.

Mrs. Shipley: May I ask another question?

Mr. Gillis: Yes.

Mrs. Shipley: Am I to conclude that the contribution to the C.C.F. party on the part of unions in Canada is at the rate of 5 cents per member per year?

Mr. Gillis: No.

Mrs. Shipley: Per week?

Mr. Gillis: Two cents per month per member at the present time. I said that 35 years ago it was 5 cents to the labour party. But, as I said a moment ago, there is no special assessment for it. The executive office makes that contribution from its share of the dues, so there is no additional contribution.

Mrs. Shipley: On what basis?

Mr. Gillis: Two cents per month per member.

Mrs. Shipley: At present?

Mr. Gillis: Yes. That is my own union.

Mrs. Shipley: And that is tax free?

Mr. Gillis: Certainly not. The tax is deducted at the source. None of these expenditures are taken into consideration until you file your tax return. But the question is not analogous to the argument I am making as to the other contributions to the union on the part of the membership, which are additional assessments. I leave that with the minister to look at some time in the future.

The second matter I should like to bring to his attention—and it is something I have done before on several occasions—is this. Today in Canada if a merchant, for example, puts in a new freezer he has a tax offset. If he puts in a new set of scales or spends money on anything to improve his business he can write it up for tax purposes. Now this question is with respect to the mine workers again. The money he has to spend in order to earn his living is not permitted as a tax offset. For example, he has to buy his explosives and the caps that set off the charges. That costs a good deal of money.

The average miner will use at least six pounds of powder a day and perhaps half a dozen caps.

Second, he has to buy special shoes with steel toe caps. That is obligatory. The company enforces that rule. Third, he has to buy a special helmet to protect him while underground, and that helmet costs between $2.50 and $3. Perhaps he will buy two or three of them a year. He has to purchase an ax. Those are four items that are obligatory. On the one hand they are safety measures and on the other hand the explosive caps are necessary to knock down the coal.

I think permitting those items as a tax offset is just as legitimate as allowing the travelling salesman the car depreciation allowance that he gets, or giving a merchant an allowance for improving his business by buying a new refrigerator and so forth.

Mr. McCann: May I correct you in regard to the cost of the supplies you mentioned? The expenditure on caps is allowed as an offset; all that the miner uses except his clothes.

Mr. Gillis: If it is allowed most of them do not know about it, because during this session I have received letters about it.

Mr. McCann: It is right in the act.

Mr. Gillis: I am glad that will get on the record and they will find out that it is permitted and they will put in those expenditures. I know that during this session I have received letters asking me to take it up again. I hope the minister will take a look at the shoes, hats and so forth.

There is another item that has been in the sling for some time, and that is the superannuation contribution made by the soldier in the services. I have argued it with the Department of National Defence and Department of Veterans Affairs, and it is always thrown back to national revenue. It is a rather pathetic thing. Today the services are a career for many people, and will be for a long time. The soldier, airman or sailor may contribute to a pension fund for 10 or 12 years. I have heard of cases where it was 10 years. If he dies from natural causes while in the service the pension commission says no pension is indicated because it is not attributable to service. The war veterans allowance officials say the widow cannot get anything because she is too young but that the superannuation contribution is returned to her; and the Department of National Revenue then considers that as income. In the one case I had, where the serviceman was in the forces for 10 years, the contributions were returned to the widow, who had three small children, and the income tax division took $600 out of that refund of contributions as income tax.

I believe the Department of National Revenue should consult with the other departments concerned. They tell me they are quite willing to consider the matter provided the Department of National Revenue will also consider it, and I think this is something that should be corrected. It is bad enough for the young woman to lose her husband and be left with a small family, no income and no pension rights because her husband died from natural causes despite the fact that he was in the services, but to have the pension contributions made over a period of ten years all assessed as income in one year when they are returned is most unfair.

The argument is advanced that the pension contributions were tax free. That is quite true, but only with respect to a very small percentage of the money. A lot of the money was still taxed because if he paid $100 into the pension fund during the year and he put in the $100 as a tax offset he was only allowed a percentage of that for income tax purposes, maybe 25 per cent or 30 per cent. Sixty or 70 per cent of that money was money that was taken straight away from him. It is not all tax free, just the percentage that is allowed for income tax purposes, and I think in a case of that kind there are extenuating circumstances.

To begin with, I cannot understand how the pension commission could take the position that the death of a man who had been in the service for ten years, who had seen combat service, who had gone through Italy and western Europe, who had come back here and remained in the service and had then died from a heart attack while in the service, was not attributable to his service but to natural causes. I think the wear and tear and the strain of war were contributing factors to the man's death.

Having regard to the circumstances in which this woman found herself, I thought it was a pretty callous and heartless thing to take $600 in income tax when the money was being returned. I have been arguing this matter for at least six or seven years. All the departments have considered it, and while I do not want the Minister of National Revenue to make a decision tonight I wish he would take a square look at it and at some time in the future give us a firm decision. I like to get either a yes or a no, and to date there has been evasion. The matter has been passed back to the Department of National Revenue.

That is all I have to say. I hope the minister will take a look at this matter and at some time in the future give a firm answer.

Mr. McCann: In respect to what the hon. member has said about pensions, that was brought up in the house a day or two ago in a debate with the Minister of National Defence, and he promised that he and I would have a look at the matter.

Mr. Huffman: Mr. Chairman, a great deal of information has come to the attention of the minister and his officials since these estimates have been before the committee. I am sure that after a full analysis of the information the minister and his officials have received, some benefit will accrue to the taxpayer.

I was very pleased to learn from the minister this afternoon that net worth assessments were the last resort of the department. I hope that every avenue will be explored by the assessors before resorting to the net worth method. A great deal of confusion is created by taking returns which have formerly been based on cash and converting them to a net worth statement. I think that is where many of the problems arise, because in rural areas most of the returns are made on a cash basis and not on a net worth basis.

There are two problems peculiar to my area and to southern Ontario that I wish to raise. One of them relates to tile drainage. In southern Ontario, which is rather flat land, under-drainage is almost essential for the successful operation of the farms. Over the years the municipalities have advanced money for the installation of such drains and the loans have been repaid over a normal period of 20 years. Some 40 years ago, when money was more expensive than it is now, it used to take $8 for each $100 to repay the loan over a 20-year period. The rate is not as high at this time.

People who kept account of the expenses of their farming operations had always put in their taxes in one sum, and in the tax notices the tile drain loans were included. I find now that with respect to summary assessments in my area the assessors are delving into the amount represented by the carrying charges of the loan. It does not amount to a great deal for any one farm. If you reassess one farmer who has his land tiled, then it is right that every farmer who has his farm tiled should be reassessed. I contend that the amount of detail that would be involved in reassessing all the returns would not warrant the expense and would not be warranted by the amount of money that would be returned to the department.

There is one other thing that is peculiar to my area, and it concerns a request from a number of people. We live almost halfway between two taxation offices, one in London and the other in Windsor. At the present time our area is in the London district. If an assessor leaves London and goes to the extreme western section of the country from which I come he must drive approximately 90 miles. I realize that the assessor must be compensated by way of a nominal and statutory amount for the use of his car and his mileage travelled. He also must be provided with accommodation while he is away from home.

Our people feel that accommodation for assessors should be provided in the new building being erected by the Minister of Public Works in the city of Chatham, and that the time now spent by assessors in driving from London to our area could very well be employed in making assessments of returns in the area. In addition, quite a number of succession duty returns could be handled in the same way. I am not fully aware of the procedure of the department but what we would like, if it is at all possible, is to have assessors located in the city of Chatham. We believe it would not add one more person to the personnel of the department, and in so doing we would have better public relations with the taxpayers. We feel that it would provide an excellent service. When a taxpayer must drive 80 or 90 miles to the tax office he is often tempted to do his business by mail, and it has not always been a satisfactory way of looking after his affairs. We feel that this would be excellent public relations, and I would commend it to the attention of the minister.

Only recently I noticed a civil service requirement for a number of assessors for the London office. The same thing is true in a number of the offices throughout this country. From the number of requirements that have been advertised from time to time it appears to me that there must be quite a turnover in the personnel of the department. I do not know what the reason is, but I would hope that the officials of the department would learn the reason for the excessive or seemingly excessive numbers who are leaving the service and going into private practice. I believe one of the reasons is that very often the assessor is not paid according to the responsibility he must assume. Under those circumstances I would hope that we could have in all our offices personnel who would remain with the department for all their years, so those who are fully acquainted with the problems could give the best service to the department.

Mr. Nowlan: Mr. Chairman, I should like to intervene in this debate very briefly because all the points which have been raised heretofore I think are common to almost every place in Canada and there is little one can say which has not already been suggested by some other hon. member.

On the other hand, as the hon. member for Oxford pointed out this afternoon, I think the tax collecting department is always the most unpopular department of any government. A member is justified, in my opinion, in expressing his opinion—and should do so—of a department which reaches into the homes of almost each and every constituent he has. I am going to speak for a very few moments entirely with respect to matters which affect every rural constituency or rural area in this country.

Much has been said about the net worth statement. I did not hear the minister this afternoon; I must have been out of the chamber for a moment. However, I was glad to hear the hon. member for Kent a few moments ago state that the minister had said this afternoon that the net worth statement was the last resort of the department in dealing with these matters. Frankly, I find it rather difficult to understand that statement, Mr. Chairman. Although I have not been very close to these matters during the last few years owing to the fact that we are here from January until July or August, at least in previous years one of my jobs was to deal with scores of these matters every year in my own office, and I know they are still going through the office with which I have some connection.

I may say that I do not think these net worth statements are entirely the last resort. You get farmers who file their income tax returns, and assume that everything is all right. Then suddenly, for no apparent reason, the inspectors appear, start investigating the affairs of the farmer and then a net worth statement is submitted to him. The farmer is faced with this situation.

I must say this. I think the inspectors who handle these matters are perhaps dealing more courteously with the taxpayers today than they did in the past. They are not as brusque. They are not quite as—shall we say, to use a polite term—dynamic as they were a few years ago. I think the complaints which have been raised in this committee during these years with respect to these net worth statements have had a considerable influence on the department. I want to compliment the minister for the progress which has been made.

After all, what is the situation with respect to these net worth statements? Yesterday afternoon we had a speech by the hon. member for Perth who spent considerable time in this committee dealing with the net worth statements and complaining of the way in which they are sometimes administered. Last night we had the hon. member for Dauphin also reiterating those statements and emphasizing their importance. Then we had the speech by the hon. member for Kent. Although he did not commit himself in any way, I think it is a fair inference, when he expressed his pleasure that the net worth statement was the last resort, that he is not too happy about the way in which they have been administered. Then you have myself at the moment speaking for Nova Scotia on the same matter.

As the hon. member for Winnipeg South Centre said the other day in another debate, when you have reasonable men who are aroused or, as in this case, concerned about a matter, I think it is something which should impress itself upon the minister. You have these members from various parts of Canada who are still saying that the way in which these net worth statements are administered is something to which, to put it mildly, the minister should give very careful consideration.

What is the situation? A farmer is confronted with a net worth statement. He is told, "If you can prove we are wrong, we will accept it. You prove that we are wrong". How can that be done by a farmer whose records are usually somewhat incomplete—at least I am speaking for the farmers whom I know, namely those in Nova Scotia—and who does not purport to keep records over a long period of years? He is confronted with a net worth statement and is told that by the inspector, as I say, very politely and very courteously. It is somewhat different from what they used to say.

I emphasize that point again. There has been a change in the way in which they deal with these matters. Nevertheless, they say, "If you can prove we are wrong, we will be very glad to hear from you; otherwise this statement stands". What is the farmer going to do? As we all know, under the act the inspector goes back for six years without any question; and if there is an allegation of fraud—we will use that term—then he can go back to the inception of the act and we are back to 1917.

The farmer just cannot present details, invoices or anything of that kind which can meet that situation. I can speak with some feeling on this matter because, as I said, at least in earlier years I had to deal with scores and scores of these cases every year, and I felt that in many cases men whom I knew to be honest, men whom I knew were

trying to file a proper return, who thought they had filed it and who had paid the tax which they believed was due, were subsequently confronted with these net worth statements and were embarrassed and sometimes seriously penalized because of that procedure.

Again I repeat that I want to give the department full credit for the fact that there has been an improvement in this approach. I am only stressing the matter now in order to urge on the minister that he consider again this whole matter and try to improve still more the approach to it.

I read the evidence given in the committee, of which I was not a member. I heard the statement of the minister and the officials to the effect that there was no scrutiny of the taxpayer's affairs and that these net worth statements were made only because of investigation which had been made and when they found something irregular. Perhaps the farmer bought a brand new Buick when he reported a loss the year before, and therefore the department thought the matter worthy of scrutiny.

I can tell the minister that I have heard inspectors of his department say, "We were driving down the road; we saw where you were building a new fireplace on the outside of your house, so we came in to investigate and see what was going on". Another time I was told that they said, "Your wife was seen in Kentville and we saw her with a new fur coat. We did not know how you could buy a fur coat for your wife". Whether it was a Christmas present from her father did not make any difference. They said, "We did not think you could buy a fur coat for your wife. We therefore decided to have you investigated and we are now presenting this net worth statement".

As the hon. member for Perth emphasized last night, I realize and quite admit that there are times when net worth statements are necessary. I know that all farmers, 100 per cent of them, have no monopoly on virtue. There may be the odd one—I do not think there are many—who perhaps has been a little bit light on his pencil when he has filled in his income and a little bit heavy when he marked down his expenditures. That has been known to happen. I am willing to admit that it even happens with farmers, although I doubt if it happens very often. There may be the occasional justification for a net worth statement and a farmer being assessed on that basis.

I want to say to the minister with all the seriousness I can command that I do think, whatever may have been the improvement in the technique of his officials, the improvement in the approach to this thing, there is one phase of that net worth statement in which they have refused to face the facts of life, as was pointed out by the hon. member for Perth last night. That is when these inspectors continually and universally insist upon a cost of living being assessed against the farmer which is out of proportion with the realities of the situation.

I suppose in earlier days I have gone over scores and scores of these statements every year. In almost every case I know the farmer was assessed on a cost of living basis which was greatly in excess of that which he actually paid. You get his assets and you will find he has paid a little bit off the mortgage, a little bit off the bank loan or bought a new tractor. Then you say it costs him $2,400 or $200 per month to live. It did not cost him that. Very often it did not cost him half that. Very often he is assessed on that basis and the officials very generously say, "If you can prove we are wrong we will accept it".

From my own personal experience I have seen scores and scores of men whom I know have been treated unjustly on that net worth statement basis, and particularly the cost of living item. I hope that is something the minister will consider very, very carefully. I cannot join with the hon. member for Cape Breton South, who said a while ago he hoped the minister would be back here next year. Personally I hope he will not be back, and unless he reconsiders this matter of the net worth statement his chances of coming back are very dim indeed.

There is another matter to which I wish to direct his attention in connection with the rural economy, and that is the right to elect. I know that now possibly we are verging on the statute or on policy rather than on administration, but I think the dividing line in this case is so narrow the minister will not raise a point of order. As the hon. member for Moose Jaw pointed out last night, I think there has been legislation by administration in this department anyway in dealing with capital gains. All those who are interested in the rural economy have seen farmers who were selling property, some of whom have been assessed on a capital gains basis without any change whatever in this legislation, and they realize that the dividing line between administration and legislation is very narrow indeed. I am not going to develop that now because I am speaking mainly from an agricultural standpoint.

It always has nettled me that farmers who happen to employ an auditor like the hon. member for Perth or perhaps retain a lawyer

like the hon. member for Digby-Annapolis-Kings, and get advice, can just file a statement about electing and thereafter can average. If they do not file that statement then they cannot average. I realize that the right to average applies to others than farmers. It applies to businessmen and to people in other walks of life. They always have their auditors or solicitors to give them continual advice.

However, I think the thing is perhaps somewhat outmoded today. I believe most of them today know about the right of election, but I can say from my own small experience in a very limited area that I have seen hundreds of farmers treated unjustly because they were not advised of the fact that to average they had to elect before the first day of May or whatever it was. Not having done that and having had one good year and four bad years, two before and two after, but not having averaged, they were ruined. I have always thought it could have been part of the act that they should have been given the right to elect and to average. The question may be somewhat academic today because I think the practice is fairly widespread, but certainly it is purely a matter of administration.

I had a case before the officials here within the last six months in which a farmer had not averaged so that a gross injustice was being done to him as compared to his neighbour across the street, who had averaged. I say that from the standpoint of administration, you should consider these cases and perhaps legislate by administration by saying. "We can assume that you averaged". However, the officials always say, "Well, it is too bad you did not put that in; it is not date stamped on the first day of May. Therefore your election is out." That is something which, as I say, has nettled me because I have felt it was an absolute injustice.

Then the third thing and the only other matter I shall bring to the attention of the minister tonight, again from a rural standpoint, is the matter of the gift tax in so far as it affects farmers' sons in this country. Again I am speaking of my own area, the only area of which I have intimate knowledge. In Nova Scotia a farmer may have one son or perhaps if the farm is large enough two sons who remain with him on the understanding that when the farmer retires or dies they are going to take over the farm. The farmers there being economical and sometimes afraid of legal fees—I do not know why they should be afraid of lawyers in Nova Scotia, but some of them are perhaps a little bit afraid of lawyers or the probate fees because they think they are astronomical when we all know they are not—perhaps five years before they die deed the farm over to the son or to the two sons.

I can recall several years ago when the Minister of National Revenue and this government took great credit for the fact that they were raising the ceiling on succession duties. Thereafter you would only have to pay succession duties on X dollars instead of as heretofore on Y dollars. That sounded wonderful. What happened? In my constituency within three months after that change had been made there were at least 10 different farmers sons in my office—when I say "sons" they were not youths but some of them were 35 or 40 years of age—whose fathers had died and they had taken over the farms. The Department of National Revenue came along and said they owed a gift tax, sometimes of $2,000 or $2,500 or $3,000. This was the gift tax on this farm which had been deeded by the father to the son.

Now, with an expert or fairly competent legal advice, it is an easy matter to meet that situation. You can always bring forth an agreement of some kind, and I do not think the department insists that it be in writing. There can be an agreement whereby the son stays on the farm, and so forth. Some farmers who could employ a lawyer and spend quite a lot of money could perhaps beat that.

But I know scores of farmers' sons who have had to pay substantial gift taxes simply because the farmer deeded the farm over to them before he died instead of willing it to them. Certainly that was not the intent of this act and that certainly is more than a matter of administration. I know the provisions of the gift tax act provide for a gift of $4,000 to one person, per annum $1,000 to each child or 50 per cent of the difference between your income tax and your taxable income. Those matters can be applied in gifts of securities and various other things. But when you are dealing with a father who has deeded his farm to his son, who has lived on that farm from the time he was born until he was perhaps 35 or 40 when his father died and he took it over, you find that the department comes back and says, "Two years before your father died, unfortunately, instead of deeding this farm and taking back a mortgage he gave it to you." The father could have written off $4,000 per year; there are other things that could be pulled off—perhaps that is a slang expression—a dozen other legal expedients

which all of us know and which the department would welcome, but instead of getting legal advice they fall into that trap and are penalized. I know of one man who, before he got legal advice, had been assessed and borrowed $3,500 from the bank to pay the government tax, which he certainly did not owe morally, and thereafter was broke.

That is a matter of administration. As I see it, I think the department should scrutinize these transactions much more carefully in the future than it has in the past, and when it comes to that particular type of transaction, a transfer between father and son of a farm, I say the administration as such should not even suggest that a gift tax be paid.

These are all the matters I want to bring up at the moment. There are a whole host of matters that I could deal with. I am speaking from the standpoint of a member for a rural constituency and of problems with which I have been associated personally during all the years I have been in practice.

Mr. Monteith: Before the item carries, I understand the hon. member for Oxford asked the minister whether in certain instances an inspector ever went into another business similar to one which he was inspecting to get an average concerning the type of income that should be accountable in that business. The minister said no. Is that correct?

Mr. McCann: I think the question was, did we ever seize the records for the purpose of getting information. My answer to that was no.

Mr. Monteith: I beg your pardon. I think the minister will admit that they do use averages for comparison purposes to come to their own conclusions, and that sort of thing.

Mr. McCann: That is right, we do, and we use averages for another purpose. We get from the bureau of statistics the average cost of living of farmers in a community, and that is very often the basis we use in a net worth statement; whether the farmer has a family of two or three, or what is his average cost of living. Not only do we take his statement but time after time it has been reduced. He has given too much. When he was making his statement as to what it cost he thought the higher it went the better it was for him. That is not the case; it is exactly the reverse. We have used the average given by the bureau of statistics and to my personal knowledge, in a great many cases, his cost of living and his net worth statement have been greatly reduced.

Mr. Nowlan: I have never seen it.

Mr. Monteith: There seem to have been a great many complaints made during yesterday afternoon and today in the debate on these estimates. After all, where there is so much smoke there must be a small bit of fire. I think the minister should consider closely all the good advice that has been given to him in the last few hours. I feel the administration of the department could well benefit from that advice. I would also take considerable satisfaction from the fact that vote No. 289 has been amended and reduced by $50,000. I am quite sure this would never have happened and would never have been brought to light, had it not been for the very close examination of these estimates by the Conservative members in the estimates committee.

Mr. McCann: That is perhaps an overstatement. We accept your advice and are very glad to have it, and also your criticism. I may tell you it has been my practice in the last 12 or 13 years to review meticulously the debate that goes on here with reference to taxation and the other part of the department, and that is considered not only by myself but by a committee of the taxation division. We try to work out recommendations to the Minister of Finance, or administrative conditions within our own department, that will take into account the recommendations that have been made.

I did not intend to speak any more. It is good advice, but I cannot meet all the arguments that have been put up here tonight. In the first place, I cannot remember them all. But I want to refute one argument of the hon. member for Digby-Annapolis-Kings with reference to having the most unpopular department in the whole government. That is not so. In justice to the people who work for me, let me say that we receive thousands of letters of commendation on the way in which we have handled cases. They have come from the Canadian taxation society, from corporations, from individuals and all the rest. Don't forget this—

Mr. Nowlan: The opposition has done a good job in helping to improve your department.

Mr. McCann: I will give you credit for that if you wish to take it. Don't forget this. We took in 4,900,000 returns last year. What other departments, or all the departments put together, have contact with as many citizens of Canada as has the Department of National Revenue? I work at this job 12 months of the year in the busiest department, on a day to day basis, that exists in the whole government. It is comparable to a trust company,

for which I was castigated a year ago, and it is comparable to good business.

I ask hon. gentlemen when they cross Canada to look at the type of offices we have set up. They are some of the finest business offices in the whole of Canada. I have tried to put the department on a business basis and to make it look like a business office. I ask you to look at our office in London and the new one we are building in Toronto. Right here in Ottawa we have the poorest office in the whole of Canada. Look at the one down in your country, at the one in Saint John and the new one we are building in Halifax.

I contend and I submit to this house that this department has improved greatly, probably as a result of the criticism and the suggestions that have come in, but there is no better critic of the whole department than myself. I criticize them and try to put the business on a business basis. I submit that we are doing the most important business in Canada, and the collecting of the taxes of Canada is Canada's biggest business.

Mr. Trainor: How about the comparison of the minister's department and Eaton's that was mentioned by the hon. member for Middlesex?

Mr. McCann: There is a lot of difference between taking 100 pounds of salt off the shelves and sending it to somebody and examining income tax returns. I do not think the two things are comparable at all.

Mr. Charlton: As I was about to say, the minister was very careful this afternoon to explain that he had nothing to do with policy; he had to do only with the administration of the act. I think most hon. members would agree—and I think the minister himself will agree—when I say there are hundreds of regulations under the act for which the minister himself or some of his officials are responsible. Of course that is partly administration. Under the rules and regulations of the act and with respect to many sections of the act the minister knows very well that he has his own discretion as to what interpretation he puts upon the wording of the act.

Mr. McCann: I do not know whether the hon. gentleman was here—probably he was—in 1945 when an investigation was made of the national revenue taxation division. At that time we had I think about 27 discretions. The accountants and all the rest of them who gave evidence took all these discretions away. I have heard many times since that they wished they had not gone so far; that the minister who knew his business was much fairer and probably more lenient with them than a strict interpretation of the law would allow. The law is handed to me to administer, and I have not the discretion to vary it. A lot of the criticism and a lot of the suggestions might rightly come before the Minister of Finance when the Income Tax Act is being revised or when the amendments to it are being put to the house.

Mr. Charlton: The minister seems to think he has a halo around his head. If he will recall section 113, I believe it is, he will see that he has discretion as to what is the major portion of the income of a taxpayer and what it comprises. He can classify that taxpayer as he wishes. The minister may check that. It used to be section 113. There have been various occasions under that section when the minister has used his own discretion. That is partly policy. I want to make it clear at the outset that I do not want to be misrepresented.

Mr. McCann: I think the hon. member is referring to section 13, which reads:

> Where a taxpayer's chief source of income for a taxation year is neither farming nor a combination of farming and some other source of income, his income for the year shall be deemed to be not less than his income from all sources other than farming minus the lesser of
>
> (a) one-half his farming loss for the year, or
>
> (b) $5,000.

That was to deal with what they called hobby farmers who wanted to write off losses, either real or fictitious, against their incomes. We changed the law so that such a man could not write off more than $5,000. If I were free to mention names I could give the names of people who contended that they were doing a great thing for this country in the way of stock breeding and special lines of farming and wanted to write off their losses. One instance I remember was for $189,000. In fairness to the rest of the taxpayers that could not be allowed, and I suggested that the law should be changed and we now limit that to $5,000.

Mr. Charlton: It still does not alter the fact that the minister has discretion in some of these cases. As I said, I do not want to be misrepresented as condoning wrongdoing. I realize there are some people across the country, farmers and others, who probably evade paying their proper income taxes, but I do not condone that practice. There are many farmers who do not keep books, and a farmer may think he does not have to make out an income tax return if he is not taxable. He may go on that way for some time, and then he becomes afraid to make out an income tax return. He delays doing it because of fear from year to year, and what might happen to him I do not know.

Mr. McCann: He is already breaking the law because he is not keeping some kind of record.

Mr. Charlton: I admit that. There are not many farmers who are able to keep accurate records, especially small farmers. If the minister were looking after a small farm I imagine he would not be keeping many books, because he would be too tired at night to sit down to look after a lot of books. In the main that is the reason they do not do it. A farmer cannot carry a pencil and piece of paper around with him to jot down every time he spends a nickel or a dollar.

As the hon. member for Digby-Annapolis-Kings said, unless you can prove the assessor to be wrong, you have had it. I submit that every assessor having anything to do with farm assessments should have a farming background, and I know that is not always the case by the questions they ask farmers and by the statements they make. It is quite obvious quite often that they have had nothing to do with farming. I know of cases where an assessor has gone to a farm and tried to charge $2.50 for a chicken which the farmer's wife has used on the table because that is what he had to pay in the market in the city. Perhaps I should not use the word, but at times these assessors use a form of trickery to get information and quite often assess the farmer or someone else more than he should be assessed for income tax purposes.

Obviously farm costs have gone up, as has the cost of living. An assessor may question a farmer as to what it costs him to live. He may ask leading questions like, "It costs you more to live now than it did five years ago?" and the farmer agrees. Then the assessor might go on and ask, "Does it cost you $2,500 or probably $2,600 or $2,700?" The farmer may think he is getting something off his income tax and he agrees with that figure, and he is caught.

Mr. McCann: In most cases he is told he is wrong. He is told the average cost of living in that particular section.

Mr. Charlton: I am interested in seeing that the Minister of National Revenue is taking cognizance of the fact that the bureau of statistics puts out figures which are accurate when his colleague, the Minister of Agriculture, does not think too much of those figures. I hope the Minister of National Revenue is not getting individual figures from the bureau of statistics, because they are supposed to be confidential.

Mr. McCann: The bureau of statistics will not give us individual figures.

Mr. Charlton: I know of cases where notices of extra taxes due have been sent out stating a particular amount, but when the department was asked, either by letter or personal interview, to justify that figure they would not do so and the matter was dropped. I wonder if those figures are just taken out of the air. It makes one rather suspicious.

I know of one chap who had done very well in business. He had expanded considerably, and he had an employee of the income tax department make out his income tax returns after office hours. They have now come back on that particular man and have assessed him for some tens of thousands of dollars. He will have to sell one of his farms or go out of business. The hon. member for Kamloops brought in a bill which would have limited the department to a period of three years in which to go back and assess. I think the department should give more consideration to that.

A farmer must keep books until he receives permission from the minister or the department to destroy them. If the records kept piling up a farmer would not have room in his house for all his files. He might have to keep them in perpetuity. The books kept by a farmer are not based on any special accounting system; generally they are pretty rough. It is a terrific job to keep these books for a number of years. The fear is always there that you should not destroy anything or you may get into trouble. They can come along any time and reassess you, even after eight or ten years.

There is one more thing I should like to bring up which concerns not only this particular item No. 289 but the whole department. It seems strange to me that telephones and telegraphs should cost so much. It would appear that people do not want to write letters. The Post Office Department do a very good job in providing mail service, but when one considers that in this department alone these items amount to $290,600 he must realize that it is a tremendous item. That is over a quarter of a million dollars for telephones and telegraphs. Apparently many officials in the department consider it is much easier to pick up a telephone, and I agree with them; but I would suggest that while the average telephone call probably costs $1 a postage stamp costs only 5 cents. A considerable amount of money might be saved if more letters were written and fewer telephone calls made. Imagine; $290,600 just for telephones and telegraphs in one department. No wonder the Minister of Trade and Commerce asks, "What's a million?" when a quarter of a million dollars is spent just on telephoning for that department alone. So I

would suggest that when the minister criticizes his own department he ask them to get a secretary and write the odd letter instead of picking up the telephone and using it whenever they want any information.

Mr. McCann: Don't forget that this amount of $150,000 for telephones and telegrams covers 30 offices.

Mr. Charlton: I have admitted that. I said that it was for the whole department. The $11,000 is for customs cases and the $150,000 for the income tax branch offices.

Mr. McCann: That is what I am quoting; $150,000 for the district taxation offices. We have 29 district offices.

Mr. Charlton: Twenty-nine district income tax offices. That is over $5,000 per office.

Mr. McCann: That is right.

Mr. Charlton: That is $5,000 per year. Does the minister not think that amount to be a little excessive?

Mr. McCann: That is not all for long distance calls. That is also telephoning within the communities in which we have the offices.

Mr. Charlton: The minister does not have to explain that to me. I have a telephone too, for which I have to pay as well as anybody else. These are telephone services. It is the telephone that he has in the office. There are the extensions, of course, but I suggest that most of it is for long distance telephone calls.

Mr. McCann: No.

Mr. Charlton: Then I should like the minister to give me a breakdown of what the service is costing and what the long distance telephone costs are in the various departments.

Mr. McCann: We do not have a breakdown of it, but that is about $5,000 in an office.

Mr. Charlton: That is $100 per week.

Mr. McCann: I do not consider that is too much when you have an office with 400 or 500 employees. Take the Toronto office or the Montreal office; those are the ones that cost a good deal of money. Almost every official or every division would have a telephone in that particular spot. I figure that for my own personal telephone in my own home it costs $200 or $300 per year.

Mr. White (Hastings-Frontenac): I would ask the minister if he would make any comments on the remarks made by the hon. member for Digby-Annapolis-Kings about the cases of injustice in regard to the gift tax on the transfer of property from father to son. Would he care to comment on that?

[Mr. Charlton.]

Mr. McCann: No, I have no particular comment to make on it at this time. We shall look into it. I will say this, that it is in accordance with the act.

Mr. White (Hastings-Frontenac): When the minister says he will look into it, does he mean that he periodically checks the various registry offices or wherever the registrations are made to get this information, or how does it come to his attention?

Mr. McCann: I am told that we occasionally look at the registry offices, but most of that information comes to hand when they are making returns with reference to the succession duties. It might be a case where there is no succession duty payable federally because there is an exemption of $50,000, but we have an exchange of information between the different provinces and the federal succession duty division, and it is in those instances that much of the information comes to our attention.

Mr. White (Hastings-Frontenac): Taking the province of Ontario, I would ask the minister how he gets the information from the registry office of any county about what is registered in regard to mortgages and things of that nature. Do they make a periodic check, or do the registrars of these offices make a periodic return to the minister's office giving that information, and so on, or how does he get that information?

Mr. McCann: We have no arrangement that the particular information that they would have in the registry office comes to the succession duty office, but our officers occasionally—and probably with some regularity—follow up these cases in the registry office.

Mr. White (Hastings-Frontenac): I am not speaking about cases that come to the minister's attention through a mistake in the succession duty office, but I myself have observed on various occasions that within a very short period after a document such as a mortgage or something of that nature is registered in the registry office for the first time, somebody goes to the office to see about income tax. I have always been curious as to how this information gets to the department so quickly from the local registry office—not that I am saying there is anything wrong with it.

Mr. McCann: We have a good system of keeping records within the department. When we see notices of deaths of people we investigate whether or not that particular individual has been up to date and, if he has died in the middle of the year, say in July, he is taxed for that period of that year.

Mr. White (Hastings-Frontenac): The minister misunderstands me. I am not speaking about estates and so on, but ordinary business transactions with regard to the sale of property, the loaning of money and things of that sort. It has nothing to do with an estate. How does the department keep track of all these sales? How does it get the information that so and so has taken out a mortgage or bought a farm, and things of that nature?

Mr. McCann: We follow in addition the transfers of properties. They will be found in any newspaper. You find them here in Ottawa.

Mr. White (Hastings-Frontenac): You do not find that in the country.

Mr. McCann: I do not know about your particular region, but there are many important towns in the province from which we get the information we need in carrying on our business.

Mr. Nesbitt: I have one last question. This afternoon I made a number of suggestions as a result of the hearings of the special committee on estimates. I do not expect the minister to pay attention to all of them, but there was one in particular about which I should like to have a reply from the minister if I could.

The minister told us in the estimates committee on one occasion that, as a matter of practice in the department, when books are taken over from any individual or small business for the purpose of investigation they are photostated and returned as quickly as possible. This is a point of administration, and the only one I know from personal knowledge in regard to which there is something seriously at fault. I was wondering whether the minister would give an undertaking that when books are taken from businesses and individuals such as lawyers, doctors and accountants, they should be photostated and returned just as soon as possible and that possibly a new directive could be sent out to the offices.

Mr. McCann: Yes, I shall give that undertaking. I know quite well the case to which the hon. gentleman has reference, or I can make a pretty good guess at it, and there were two truckloads of books and documents that were taken. It takes some time to go over that and have photostatic copies made of the important documents. I may say that the policy of the department is to do that work as quickly and as expeditiously as possible. With some of these investigations, we do not know how important they are or the length of time they will take. Some of them take a couple of years. We have all types.

This is confidential and I am not going to give any names, but I will give some of the types of offences. Here is a case of omitting payments and diverting cheques. The tax in that instance was $29,000. Here is one of diverting limited company receipts to personal use. In that case the tax and interest were over $50,000 and the assessment was over $186,000. Inventory suppression, fraudulent vouchers and non-recording of sales, the tax and interest were $225,000 and the evasion was $581,000.

Then we have suppression of equipment rentals, falsification of donation receipts, suppression of sales, preparing and selling false refund claims. In the last instance the man was sent to jail for nine months. Then we have suppression of sales and inflation of expenses, suppression of sales, suppression of sales, suppression of sales. Here is another one, suppressed sales. Then we have falsification of T returns, diverted rebates, suppression of income payments, diverting part of fees of audits. I could go on for a long time.

Let me give you a couple of nice ones; fictitious credit notes, suppression of sales, suppression of log sales and machinery. The tax and interest were $136,000 and the assessment of suppressed sales was $363,000. Here is one I referred to the other day, forged donation receipts, suppression of $100,000 in ticket sales, fictitious donation receipts, suppression of sales by means of duplicate invoice numbers. The tax and interest were $411,000 and the amount was $503,000. Here is another one, false purchases, falsifying statements, suppression of sales. Here is one where there were false purchases. This had to do with a fellow who was buying stuff and putting out something else. The tax and interest were $80,000, the fine was $20,000 and in default a total of 14 months in jail. The amount suppressed was $593,000.

I want to tell you that by carrying on the work of revision, reassessment and prosecution we took in last year over $89 million above the regular assessments, three to four times as much as it cost to administer the whole department for a year.

Mr. White (Middlesex East): I suppose it is safe to assume there were no farmers prosecuted?

Mr. McCann: In this whole file there was not a farmer who was prosecuted.

Mr. Nesbitt: We are certainly very interested in the recital of naughty deeds the minister has just given us, and I am very glad they are so successful. The only thing I mentioned had to do with the taking of books and photostating them. The minister

said with respect to the case I had in mind—I am pretty sure he and I know which one it was—that there were two truckloads. Of course trucks do vary in size. I had another case in mind of a doctor's books that were taken and held for a long time. I am satisfied as long as the minister has undertaken to have his department hurry up with the photostats.

Mr. Cardiff: I should like to ask the minister a question with regard to some complaints I have had in my section of the country. Is it a common practice of the department to send two assessors around to make investigations?

Mr. McCann: Yes.

Mr. Cardiff: For what reason?

Mr. McCann: Not necessarily, but in most instances two are sent.

Mr. Cardiff: For what reason?

An hon. Member: One to watch the other.

Mr. McCann: Yes, they do. In some instances it takes two men to do the work. However, if you have one man who can substantiate the statements of the other you are in a much better position than if one man goes alone.

Mr. Cardiff: I agree with that, but the complaint I have is that the two of them get hold of a man and take statements from him, and if they want to bring the matter up in court or make an investigation of any kind there are two against one with regard to whatever the man happens to say if he is foolish enough to open his mouth and say anything, and the people complain about it.

Mr. Knowles: I wonder whether the minister has obtained answers to any of the questions I put to him this afternoon. In particular, I wonder whether he can explain what I thought was a rather strange answer to certain order paper questions, particularly when I asked about people from whom deductions at the source are made during the year which exceed what they would have to pay but who fail to make any return at the end of the year and hence do not get any refunds coming to them. As the minister will recall, the answer he gave to several questions along that line, as recorded at page 2587 of *Hansard* for March 23 of this year, was that there was no information available.

May I put it this way. Are records kept of all those from whom deductions are made at the source and is a check made at the end of the year to see that every person from whom deductions were made at the source files a return? If so, why was an answer not available to my question? If not, the minister can take it from there.

[Mr. Nesbitt.]

Mr. McCann: The hon. member for Winnipeg North Centre asked a lot of questions. Of course that is not unusual, but he gave the answers to most of them himself. He put in the proviso that they might have to do with matters of policy rather than with matters of administration. I did make a few notes with reference to some of the questions asked but I do not know just where they are at the moment. However, I think there was only one that had to do with administration. It had to do with the matter of spreading a pension under section 36 over a period, and I believe he asked whether we could not put something on the form.

Mr. Knowles: I asked whether a special form could not be provided, but I also asked whether the note on the explanatory page should not include the kinds of payments other than pension payments to which special tax treatment can be accorded.

Mr. McCann: The great percentage of forms that are filed are short forms, and we have as much crowded on that form now as we can possibly put on it. A few years ago there was a demand to reduce the length of the general form. We were able to reduce it to a size that has saved a lot of money and a lot of work on the part of taxpayers. I would hate to think that we had to go back now to the old, longer form.

Mr. Knowles: I am not complaining about the shortness of the form. Let me say it again. I have not the sheet here now because it has gone up to the *Hansard* office, but the sheet of explanatory notes that is attached to the short form has on it one short paragraph telling the taxpayer that if he received a lump sum payment out of a pension fund he can get special tax treatment and he is advised to consult his district taxation office.

My point is that section 36, which provides for that special tax treatment, provides that it can be accorded not only to lump sum payments out of pension funds but to certain other lump sum payments. If I can boil my suggestion down to its simplest form, I am simply asking whether that explanatory note could not include as another phrase in the key sentence the fact that there are certain other kinds of lump sum payments about which the taxpayer might be well advised to consult the district taxation office. If the minister feels he cannot answer now I hope his officials will look into the matter.

Mr. McCann: I promise you that we will give the matter consideration.

Mr. Knowles: That is fine. Can the minister answer the last of the questions which I put to him this afternoon and which I suggest is not policy but is a matter of administration? My question was based on the answers he gave to my order paper questions which appear at page 2587 of *Hansard* for March 23, 1956. The answers to those questions, in so far as they say "no information available", seem to suggest that no checking of the records is done to ascertain how many persons there are from whom deductions are made at the source but who do not file a return at the end of the year.

As I said this afternoon my chief concern —and the minister can understand that—is for people who have paid in too much and who since they do not file returns do not get their refunds. The Minister of Finance must also be concerned about those from whom not enough was deducted at the source. But if no return is filed it could be that a person did not pay the amount he should pay.

I took it for granted that there would be some system in the minister's department whereby in the case of every taxpayer from whom deductions were made at the source a check would be made as to whether each of those taxpayers filed his return at the end of the year. I should like to know whether that is being done. If it is not being done how do you take care of the two situations I have described, namely the taxpayer who overpays through deductions at the source but files no return at the end of the year, and the taxpayer who, through deductions at the source, underpays but does not file a return at the end of the year?

Mr. McCann: Mr. Chairman, I think I understand the problem. For the taxpayer who is overdeducted, there is a refund given to him and he gets that refund.

Mr. Knowles: Is that not true only if he files a return and claims it?

Mr. McCann: Yes, that is right.

Mr. Knowles: All right. Let me ask it again. What about the taxpayer who, through deductions at the source overpays but who does not file a return? What happens to his case?

Mr. McCann: In the first case he is breaking the law by not filing a return; and in the second place, if he makes application for his refund he will get it provided that he puts in a return. There is another question the hon. member asked. He asked what steps the government had taken to get such money back to the persons to whom it belongs. The answer is as follows:

The prompt issuance of refunds to all persons from whom overpayments of tax have been collected is a constant objective of the taxation division. This objective is one of the aims of an extensive annual publicity campaign employing newspaper, radio, T.V., newsreel and street car advertising. Persons entitled to refunds are advised frequently by such means to make application for their refund and to provide the department with the information necessary to enable a refund to be issued.

Mr. Knowles: Now that the minister has read that, I know he is looking at the answers to the questions to which I have been referring. I ask him to look at the answers to questions 1 and 2 of the same set where the answer given was "No information available".

Mr. McCann: Exactly. I am telling you that our statistics are not kept in such a manner that we can give you those answers. There are twelve million slips that come in with reference to this matter in a year.

Mr. Knowles: If the answer as given is correct, that no information is available, does that mean that, in the case of the taxpayer who the minister said is breaking the law, you do not check on him? You fail to check on the taxpayer from whom too much is deducted at the source but who does not file a return at the end of the year? Similarly, do you fail to check on the taxpayer from whom not enough is deducted at the source but who fails to make his return at the end of the year?

Mr. McCann: I am told by the officials that we do not make a full check. We make what is called a spot check on them.

Mr. Knowles: That means, Mr. Chairman, that there probably are some people, whether they are wilfully breaking the law or whether they are doing it inadvertently, who through deductions at the source are overpaying and because they do not file returns they do not get their money back. They are not caught in the spot check. Likewise there are some other people who through deductions at the source fail to pay what they should pay and they fail to file a return, whether wilfully or by inadvertence. They are not caught in the spot check and they get by without paying their full share of income tax as prescribed under the law. I recognize that it is a huge problem with these twelve million slips that the minister refers to, but it seems to me that the efficiency on this point should not be on a spot check basis but rather should be on the basis of a complete check. I think you should go down the line and make sure that all these deductions at the source are checked to see whether the people from whom these deductions are made make a return at the

end of the year and either pay what is still owing or get whatever refund is coming to them.

Some hon. Members: Carried.

The Deputy Chairman: Shall the item carry?

Mrs. Fairclough: No.

Mr. Knowles: Mr. Chairman, I shall not pursue this matter any further, since the minister does not seem to have an answer to it. However, I hope that he and the officials of his department will give consideration to the point I have been making.

Mrs. Fairclough: Pursuing the same point, may I ask the minister to say whether or not these slips are cleared through a central office or whether they are kept in the district office to which they are originally sent by the employer. What I am getting at is this. Suppose a man works in Toronto for three months, then goes from Toronto to Ottawa and works there for three months, and then goes on from there to some other centre and works there for three months. I wonder whether these slips are all brought together in one place. I realize that it may not be indicated, from one place to another, that he has left town. But are any steps taken to try to bring these slips together in one spot?

Mr. McCann: It is common practice to transfer the files to where the taxpayer is at the end of the tax year.

Mrs. Fairclough: Provided that he lets you know where he is?

Mr. McCann: Yes.

Mrs. Fairclough: What I mean is this. Is there any pooling of these slips?

Mr. McCann: Pooling of the knowledge?

Mrs. Fairclough: Yes. Any one of the district offices is bound to have at the end of the year a number of slips for taxpayers for a portion of the year, where it is obvious that either the man has had some other employment because he has not worked a full year in that place or he has moved to another place. Is there any check-up on those slips? Is there any attempt to bring them together in a central place to determine whether or not the taxpayer has moved around from place to place?

Mr. McCann: Yes; and more particularly if a request is made for a refund. If a taxpayer makes a return and he states that he worked in Toronto for three months, and has worked in Ottawa and then moved to Montreal, they are brought to one central office from which his assessment will be made.

[Mr. Knowles.]

Mrs. Fairclough: But only if he requests it himself or makes a return?

Mr. McCann: Yes, I think that is correct. We have different methods of attempting to trace him and we do it through the office that is most convenient to him, which would likely be the office in the district in which he was working or employed at the end of the year.

Mrs. Fairclough: I know that at the time claims were being made for refunds of compulsory savings, in some cases it was extremely difficult to trace the matter back through the district offices. Sometimes a taxpayer had forgotten just where he was in a certain year. I had two or three cases in which it was very difficult to trace the matter back. It led me to believe that they did not forward these slips to a central spot. Incidentally, now that I have mentioned the matter of compulsory savings, may I ask whether there is still an amount which has not been returned?

Mr. Knowles: Nearly three million dollars.

Mrs. Fairclough: If so, how much is it?

Mr. McCann: Yes, there is. In reply to the previous question asked by my hon. friend, may I say that our biggest problem is with women who change their names. They get married, and it is hard to locate them when they have changed both their name and their address.

With reference to the refundable compulsory war savings, $515 million was collected. The number of taxpayers who participated was 4,222,000. The number of cheques yet on deposit are 63,000. Of the $515 million we have repaid $512 million. It therefore leaves a balance of $2,922,481, which is deposited in the consolidated revenue fund. When people make application and give proof, the cheques are immediately issued.

Mrs. Fairclough: Are claims still coming in?

Mr. McCann: Through the press, through radio, television and every other medium we can use, we try to indicate to the people that these cheques are available to them and are on deposit. You will read every year, though I have nothing to do with it at all, about unclaimed deposits in banks. You wonder why people, if they are alive, do not take an interest in the matter and make a request for the payment of that money. The same thing obtains in this department. People seem to get very careless about small amounts of money unless they need it very badly. They do not take the pains to make a request for it. We have used every method we can to try to locate them.

Mrs. Fairclough: Have the requests for these refunds practically ceased or do you still get them? Do you get them in any quantity?

Mr. McCann: We get a few every month. This number of 63,000 has been brought down very considerably in the last few years.

Mrs. Fairclough: That is 63,000 refunds?

Mr. McCann: That is the number of cheques on deposit, and the 63,000 cheques divided into the $3 million would give about $50 each.

Item agreed to.

Taxation division—

290. District offices, $24,835,694.

Mr. Dinsdale: I should like to ask the minister a question on item 290, concerning the possibility of establishing an income tax office in the city of Brandon. I asked him this question on the orders of the day and he told me to be patient and wait until the estimates came along. The reason I bring the matter up at this time is that, as the minister knows, a new public building is under way in Brandon and it would provide ample office space. This city is the heart of the agricultural area of Manitoba. I know from personal experience that people communicate with me constantly for information concerning income tax problems. In every case we have to make a pilgrimage to Winnipeg to obtain that information. We do not mind going to Winnipeg, but we would much rather stay in Brandon if it were possible.

During the month just preceding the final date for filing income tax returns there are two officials who come out and establish themselves in the lobby of the post office. They provide a very worth-while service. It is the feeling that if that service could be spread over the 12 months it would be much more useful.

Mr. McCann: Mr. Chairman, I can well understand the hon. gentleman's desire to have a public office in his community. It adds a little to his prestige, but do not forget these things cost quite a bit of money. It costs about three times as much to collect $100 in a small office like Brandon as it would in a larger office. Our average rate for collecting money is about 87 cents per hundred dollars. We know, from the experience we had with one small office in the west at Prince Albert, that it costs between $3 and $4 to collect $100 in these small offices. We have to take into consideration the costs. We believe we can do the work more efficiently in the city of Winnipeg than we could if we had three or four offices.

We have difficulty in getting assessors of the right type. In order to man an office in Brandon we would have to have corporation assessors, individual income tax assessors and a full staff even in that smaller office. It is for that reason we have concentrated our offices in the larger cities and in places where we believe the best service can be given. The hon. member will criticize me for that statement when I tell him that we are establishing an office in Penticton. It is a long way from Vancouver, with difficult transportation facilities and all the rest of it. But I will give you a very frank answer. I think Brandon can be equally well served by Winnipeg and at much less cost than if we had an office in your city. I can conclude by saying we are not putting an office in Brandon at this particular time.

Mr. Dinsdale: With regard to the question of cost, it might mean a slight additional expense to the department; but I should like to point out to the minister that it also represents a considerable cost to the farmers who have to go all the way to Winnipeg to settle any income tax problems they might have. I was not thinking in terms of an office staffed with complete income tax assessing facilities. If there could be some service established, particularly for the farmers, I think the purpose would be served, because western Manitoba is an agricultural region and Brandon is the urban centre for that agricultural region. I think if the service were designed particularly for the farm population it would not be too costly and it would certainly save the farmers a lot of expense and inconvenience. It would avoid this rush of people climbing over one another, as I have seen them, in the post office lobby when the two assessors come out for a few weeks prior to the final date of filing.

Item agreed to.

DEPARTMENT OF LABOUR

179. Departmental administration, $702,905.

Mr. Gregg: Mr. Chairman, I should like to say a few words before this item is dealt with. First of all I should like to say how much I appreciate the fact that the committee on estimates has had a chance to review the estimates of the Department of Labour proper, and has completed that task. I am sure that the discussion there has been valuable. I should like to pay tribute to the keen interest, to the fair appraisal and the helpful discussions that took place with reference to items 179 to 195 inclusive. This afternoon those items were referred back to the committee of supply. Those items include matters related to the Department of Labour as distinct from the unemployment insurance

commission. The items covering the unemployment insurance commission are two, namely 196 and 197.

The committee on estimates considered that those two items I have just mentioned might stand before that committee for the present time. It was felt that discussion of those two items, either in the estimates committee or the committee of supply, would be perhaps somewhat unrealistic without knowledge of the government's policy regarding any changes in section 45 (2) of the Unemployment Insurance Act.

I made it clear to the committee on estimates this morning that at this moment I was not in a position to give details on this matter because the commission itself, the actuaries and the unemployment insurance advisory committee have not yet quite finished their analysis of the effect of possible amendments. I undertook to have this work pressed forward to a conclusion as rapidly as possible. At today's sitting of the estimates committee it was agreed that we might proceed this day, if there were time, with the items starting at 179.

Now, arising out of the earlier discussions in the committee on estimates, very interesting discussions were held on the question of professional and technical manpower. At that time it was pointed out that many of the factors relating to that very interesting topic had to do with the unemployment insurance commission, the dominion bureau of statistics, the department of immigration and other government agencies, and I undertook to get together as much information as could be obtained at this time on so important a matter. I have done that. I could not dispose of it in the six minutes that remain. I am in your hands, sir, as to whether to proceed with it at a later sitting or not.

The Deputy Chairman: Is the minister moving that we rise and report progress?

Mr. Harris: Mr. Chairman, in the circumstances I assume the committee ought to rise and report progress.

The Deputy Chairman: Is it agreed that I rise and report the resolutions, report progress on others and ask for leave to sit again?

Some hon. Members: Agreed.

Progress reported.

Mr. Knowles: Should not one of the resolutions have been reported as amended?

Mr. Harris: Yes.

The Deputy Chairman: I think the hon. member will find that money resolutions amended in committee are regarded as having originated in the committee and are not reported as amended.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the estimates of the Department of National Health and Welfare and then the resolution in the name of the Minister of National Health and Welfare with respect to certain payments on relief.

I move that the house do now adjourn.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF NATIONAL REVENUE

Taxation division—

289. General administration, $2,702,629.

On motion of Mr. Harris item reduced by $50,000.

290. District offices, $24,835,694.

Income tax appeal board—

291. Administration expenses, $80,580.

HOUSE OF COMMONS

Friday, June 15, 1956

The house met at eleven o'clock.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR TODAY

Hon. W. E. Harris (Minister of Finance): Apparently I was under a misapprehension as to the wishes of the house last night with respect to today's business. We shall take labour estimates first, then national health and welfare.

EXCISE TAX ACT—INQUIRY AS TO AMENDMENTS THIS SESSION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Finance whether it is his intention to proceed with the resolutions respecting amendments to the Excise Tax Act in the committee of ways and means and, if so, when?

Hon. W. E. Harris (Minister of Finance): I shall be proceeding with the resolution, but I think that next week's work has already been outlined, and it certainly will not be until the week after next.

Mr. Fleming: Is the government going to proceed with all the resolutions of which the minister gave notice in his budget address on March 20?

Mr. Harris: I suppose that is one of those things I will announce when we reach the resolution stage.

Mr. Fleming: Can the minister make any announcement about the proposed 20 per cent tax on advertising matter in magazines?

Mr. Harris: I have made no announcement and would not do so until that time, sir.

ATOMIC ENERGY

INQUIRY REGARDING EXCHANGE OF INFORMATION

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I direct a question to the Minister of Trade and Commerce? Press dispatches today report an agreement having been reached between the United Kingdom and the United States for the exchange of information on atomic energy developments. I should like to know whether or not Canada is to get all this information which is now being made available to the United Kingdom, in view of the fact that historically the three nations have been working together.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Canada was the first to sign an agreement with the United States for the exchange of atomic energy information. Whether the agreement with Canada covers all phases of the atomic situation that may be covered by an agreement with the United Kingdom, I will have to explore, but it is my impression that Canada signed an agreement some months ago which is parallel to the agreement recently signed between the United States and the United Kingdom.

Mr. Green: Perhaps the minister could let the house know on Monday what the situation is.

Mr. Howe (Port Arthur): Yes, I shall be glad to inquire and get a more complete statement for Monday.

BRITISH COLUMBIA—REPORTED RADIOACTIVE RAINFALL

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to address a question to the Acting Prime Minister. Under whose authority were Canadian citizens in British Columbia recently subjected to radioactive rainfall, and what measures is the government proposing to take to ensure that Canadians will never again be subjected to that sort of thing?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, my hon. friend the Minister of National Health and Welfare (Mr. Martin) is an expert on atomic rainfall. I was not aware that any part of Canada has been exposed to it, but I am sure that my colleague would be glad to make a statement.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure my hon. friend will find comfort in the statement that I made yesterday. I suggest that he look at it and reflect on it.

Mr. Regier: Mr. Speaker, may I ask the Minister of National Health and Welfare whether he could answer my question. Under whose authority were Canadian citizens subjected to this rainfall, and what steps is the government taking to ensure that it will not happen again?

Inquiries of the Ministry

Mr. Martin: Mr. Speaker, perhaps after my hon. friend has read what I said yesterday, he and I can talk about the matter further, and he can give consideration as to whether he wishes to pursue the question.

NATURAL RESOURCES

OIL—REPORTED SURVEY INDICATING 90 PER CENT FOREIGN CONTROL

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 Trade and Commerce. In view of the fact that a so-called confidential federal survey indicating control of Canada's oil industry as being 90 per cent foreign is referred to in the press, may I ask the minister if that survey or that document is not something which should now be tabled?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I know of no survey other than the survey of industry conducted by the bureau of statistics, and I have seen no publication bearing directly on the oil industry. I will make inquiries and if there is any such document I will, of course, be glad to table it.

Mr. Knowles: Is the minister in a position to confirm the statement made, which is based on a federal survey, that Canada's oil industry is controlled outside of Canada to the extent of 90 per cent?

Mr. Howe (Port Arthur): No, Mr. Speaker, I am not. I would say that 90 per cent is very much too high, but I will be glad to look into the matter. In any case, our oil industry is not controlled outside of Canada. It may be owned outside of Canada but it is not controlled outside of Canada.

GRAIN

WHEAT—BOX CARS, QUOTAS AND MARKETING

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. What plans has he under way in order to assure that a larger number of freight cars for the transport of wheat will be made available? Also, what is the hope of the quotas being increased, particularly the low figure quotas, and what is the general attitude of the minister toward action being taken to ensure that the largest possible portion of the wheat in storage on farms will be marketed before the new crop year?

[Mr. Regier.]

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the hon. member was good enough to give notice of his question. Deliveries of wheat by producers to date this present crop year are well ahead of the same period a year ago. Up to June 14 wheat deliveries amounted to 248 million bushels against 218 million bushels in the same period a year ago. Deliveries of all grains are 12 million bushels ahead of the comparable period of the last crop year. As at June 15, all points have a 3-bushel delivery quota or better. One hundred and six points are at 3 bushels, 538 at 4 bushels, 509 at 5 bushels, 741 at 6 bushels and 168 at 7 bushels.

The Canadian wheat board is endeavouring to achieve as great a degree of equality as possible before the end of the current crop year. At the same time, the board must give preference to those grades and kinds of grain which have been sold for export or for which there is active demand. I might mention that exports of wheat and flour from August 1, 1955, to June 6, 1956, are 244 million bushels as against 215 million in the same period a year ago, an increase of 29 million bushels. Although later official figures are not yet available, I would think that as of today Canada has exported as much wheat and flour this crop year as during the whole of the crop year 1954-55.

There has been particularly heavy demand for grades of wheat No. 4 northern and lower and for malting barley. This has been one of the reasons for the differences in quotas at country points. I am hopeful, however, that before the end of the crop year most of the lower quota points will have been raised substantially. Certainly that will be the aim of the Canadian wheat board, the transport controller and the railways.

I may say that in my years of association with the wheat business I have never seen wheat moving at the rate that it is moving today. We have ocean boats waiting at all ports. Churchill will be opening shortly for a record movement already booked. Loadings in the country are running around 2,200 cars a day, and from now until the end of the crop year every effort will be directed toward levelling up the deliveries at country points. It may not be possible to do that completely. Points where there is a predominance of No. 3 northern grade are difficult to handle because No. 3 northern is the one grade that is not moving freely into export. Nevertheless, we will endeavour to find a place for that No. 3 northern so that deliveries can be brought up to correspond with those at points that have a free movement.

Mr. Diefenbaker: I should like to ask an additional question in view of what the minister said. He said that all areas of the 3-bushel quota, as of June 15, have been filled. That must have been in the last couple of days. What is the hope of increasing those 3-bushel quota areas, particularly where No. 3 northern wheat is located, as it is extremely difficult for the farmer to get credit in those areas? Is there not something that could be done to increase the quotas in areas producing that grade?

Mr. Howe (Port Arthur): As I said, Mr. Speaker, we are now finding a place for that No. 3 northern wheat in eastern storage and it is the intention to concentrate on the low quota points in an endeavour to balance them out. However, I may say that the advisory committee to the wheat board has agreed with the wheat board's viewpoint that the total movement from the ports should not be jeopardized by moving forward wheat that is not in demand, if there is any possibility that by doing so the export movement would be slowed down.

WHEAT—INCREASED BREAD PRICES DUE TO ALLEGED SHORTAGE

On the orders of the day:

Mr. L. E. Cardiff (Huron): I should like to direct a question to the Minister of Trade and Commerce. It has to do with an article that appeared in the London *Free Press* of yesterday. The heading is "Bread Prices up Penny, Blame Wheat Shortage". In my opinion this is a misleading statement for the purpose of unnecessarily increasing the cost of living index. Has the minister anything to say about it?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am sorry but I did not hear the first part of the question. Would my hon. friend read the statement again?

Mr. Cardiff: The heading is "Bread Prices up Penny, Blame Wheat Shortage".

Mr. Howe (Port Arthur): Mr. Speaker, there is no possibility of any wheat shortage causing an increase in the price of bread. The price of wheat has not varied and the supplies are ample. I am sure there is no wheat shortage in any area in Canada.

HOUSING

ALLEGED SCARCITY OF MORTGAGE FUNDS IN METROPOLITAN AREAS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to two cabinet ministers.

An hon. Member: Is one not enough?

Mr. Nesbitt: You need two to answer this one. I refer to the Minister of Finance (Mr. Harris) and the Minister of Public Works (Mr. Winters) or in his absence whoever is acting in his behalf. What does the government intend to do to alleviate the serious and extreme shortage of mortgage funds available for the construction of new homes? I ask this question, Mr. Speaker, because this morning I received 18 telegrams from various groups and individuals in my city. They are very much concerned lest this lack of mortgage funds cause unemployment and a shortage of badly needed low-cost new homes.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, in the absence of the Minister of Public Works I think all I ought to say is that he will be back here this afternoon and that I will draw my hon. friend's question to his attention. I should add, however, I have not received any copies of the telegrams he has received, and if he would give us the gist of them we would look into it.

Mr. Nesbitt: I would be delighted to send the 18 telegrams over to the minister.

FINANCE

INQUIRY AS TO INTRODUCTION OF NEW SUCCESSION DUTIES ACT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): On May 21, 1956 at page 4114 of *Hansard* the Minister of Finance, in reply to a question I asked as to whether the government intended to introduce the new succession duties act for this session, said:

> I am hopeful that we can introduce a new succession duties act, but it would depend on the length of the session whether we can pass it at this time.

Can the minister indicate whether the bill is to be introduced, if so when, and whether the intention of the government is simply to introduce it and not to ask the house to proceed with it at this session?

Hon. W. E. Harris (Minister of Finance): The bill is almost ready for consultation with my colleagues. I would expect that we could have that done within the next couple of weeks. I would doubt very much if we could pass the bill at this session.

Mr. Fleming: I take it the minister has in mind that it is the kind of bill which should be brought in and considered carefully by the public before it is proceeded with.

Mr. Harris: I would think so.

Inquiries of the Ministry

FREIGHT RATES

REPORTED INTERIM INCREASE—INQUIRY AS TO ACTION OF GOVERNMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Acting Prime Minister. In view of the unprecedented action of the board of transport commissioners in providing for an interim increase in freight rates even before the evidence was heard, what action, if any, does the government intend to take at the present session to meet the detrimental effects of this increase on Canada's trade, and in particular on the Canadian farmers who will not be able to pass on any portion of the increase in freight rates that is being made? The result of this will be that the farmers in general will suffer a further reduction in net income.

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, the board of transport commissioners is a judicial board. As my hon. friend knows, the government has no jurisdiction over its decisions. Personally, I have not seen a definite announcement of the judgment of the board granting an increase, although I did read a press story to the effect that the board intended to grant an increase. If any action of the government is indicated as a result of the action of the board, the government will consider the matter and take the appropriate action.

Mr. Diefenbaker: Has the government any immediate intention of taking action to meet the situation or has it been considered at all?

Mr. Howe (Port Arthur): Until the judgment is in the hands of the government, the government is hardly in a position to consider such decision as the board may announce in due course.

Mr. Fulton: May I ask the minister if he is not aware that although the board has not given judgment they have awarded an interim increase—

Mr. Howe (Port Arthur): Of how much?

Mr. Fulton: I think it is 15 per cent.

Mr. Green: It is 10 per cent.

Mr. Fulton: In any event, whatever the increase, they have awarded an increase and the hearings will be held later. I think it is that point to which my hon. friend's question is directed.

Mr. Howe (Port Arthur): My friend has stated the board has awarded an increase. I am not aware of that, and I doubt the accuracy of my hon. friend's statement. Certainly, I doubt the accuracy of his statement that the award has been a 15 per cent increase but I will be glad to look into the matter.

Mr. Diefenbaker: When the minister says it is a judicial board, does it not strike him as strange that a judicial body would be providing an as yet undetermined increase before any evidence was heard? Does that not strike him as a strange action?

Mr. Howe (Port Arthur): I have been brought up not to comment on the actions of judicial bodies.

Mr. Rowe: You are getting a little better all the time.

POWER

COLUMBIA RIVER—DATE OF CONFERENCE WITH PREMIER OF BRITISH COLUMBIA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I ask the Minister of Northern Affairs and National Resources whether or not a definite date has been set for his conference with the premier of British Columbia concerning the Columbia river and other questions of a similar nature?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Yes, Mr. Speaker, July 4 at Victoria.

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO REMOVAL OF TUNICS IN HOT WEATHER

On the orders of the day:

Mr. Alexis Caron (Hull): In the absence of the Minister of Justice, may I be permitted to direct a question to the Minister of Trade and Commerce? I am wondering whether it would be possible to ask the officers of the R.C.M.P. who are working in front of the parliament buildings in the torrid weather we have been having in the last few days, and which I am sure has reached 110 degrees above zero, to take off their tunics for a period, because I was really sorry to see them in the sun yesterday?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I shall be glad to call my hon. friend's comments to the attention of the commissioner of the mounted police, but I doubt whether anything can induce a Royal Canadian Mounted policeman on parliament hill to appear without his tunic.

COMMITTEE ON ESTIMATES

REQUEST FOR REFERENCE OF ESTIMATES OF DEPARTMENT OF NATIONAL DEFENCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance in his capacity as house leader. In view of the fact that the estimates committee is just about out of work except for one item that is standing, will the government consider referring the estimates of the Department of National Defence to that committee?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I will be glad to give consideration to what the hon. member has said.

SUPPLY

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

DEPARTMENT OF LABOUR

179. Departmental administration, $702,905.

Hon. Milton F. Gregg (Minister of Labour): Mr. Chairman, when the house rose last night I had just given a very short report from the estimates committee, and in the course of that I had said that early in the discussions of the estimates committee there had been a good deal said about the matters of professional and technical manpower. Since those are questions that come under a number of items, not only in my estimates but in others, I undertook before the estimates committee to provide at a later date some information on those topics. With your permission, sir, I would like to do so now.

I want first to speak about some of the steps we have been taking with regard to professional manpower and later with respect to other types of skilled workers and technicians who are non-professionals.

Although the training of manpower is essentially an educational matter and hence is the responsibility of provincial governments, the federal government is actively concerned with our resources of skilled manpower because they are vital to Canada's whole future economic development, and also because there is a need for national studies and analyses which are of value to the whole country.

Among the Department of Labour's activities directly related to professional manpower in Canada are: one, the provision of some financial aid to those at universities; two, continuing assistance to professional workers in finding employment and to employers in securing professional workers; three, the provision of information about careers in many professional fields; and, four, regular studies of requirements for and supplies of professional workers, and the accumulation of a wide range of detailed information about professional manpower resources in Canada.

First of all, financial aid: Financial assistance to university students has taken two forms. The Canadian vocational training agreements with the provinces provide for sharing with the provinces on a fifty-fifty basis expenditures on bursaries to worthy and needy students at universities.

The second type of financial assistance to people studying at universities takes the form of grants made for specific research purposes. For several years, my department has been stimulating research in the universities on important labour problems by making financial grants to senior graduate students and staff members.

Second, placement of professional workers: The executive and professional division of the national employment service has the day-to-day responsibility of helping professional workers find suitable jobs and of assisting employers to secure the kind of people required for professional work. In addition to bringing together workers and employers in the same locality, these activities include scouring the country for certain types of professional people in scarce supply and, in some cases, recruiting such workers overseas. The national employment service also makes special efforts each year to help university graduates find continuing employment and to help undergraduate students secure jobs during the summer months.

Third, guidance information: The Department of Labour provides information to help youth make a wise career choice, and which also assists guidance and counselling people. This information includes both monographs and filmstrips on many professional and other occupations.

Fourth, requirements for professional manpower: Every two years, the economics and research branch, in co-operation with the executive and professional division of the national employment service, surveys the major employers of professional people to find out their requirements for such workers during the next three years, and to obtain other information about the demand for these workers. The 1956 survey, which has been enlarged to cover provincial and federal government agencies and universities, is at present under way.

A longer run forecast of requirements has to be based on a general assessment of the growth of the Canadian economy. Such an assessment is now being made by the royal commission on Canada's economic prospects

and, as was mentioned by the Prime Minister (Mr. St. Laurent) the other day, the Department of Labour is preparing for this commission a study of Canada's resources of professional and skilled manpower and the long-run outlook for them.

In connection with the study of professional manpower, one of the most important activities of the department is that of maintaining in a systematic way detailed information on such items as education, experience and occupations, of the majority of Canada's engineers and scientists. Similar information is being maintained on doctors and other key health personnel by the Department of National Health and Welfare.

These data are the only comprehensive sources in Canada of information on the characteristics of our manpower resources in natural science, engineering and health personnel. It should be pointed out that this information is obtained on a voluntary basis. Not everyone replies to the inquiries made, although a high proportion does so. Under conditions of emergency, such information would be highly valuable and could be extended as needed very quickly.

I should mention that there exists also information about the number of people being trained each year in various professional fields. The dominion bureau of statistics publishes data on university enrolments and graduations each year by professional field, while the Department of Citizenship and Immigration provides figures on the immigration of professional workers. There also is information on the number of professional workers emigrating to the United States, and this is by far the largest part of all emigration from Canada.

I have referred to various sources of information about our professional manpower resources. We are regularly using this information as a basis for analyses and studies. Most of this material is published in a quarterly technical personnel bulletin prepared in the economics and research branch. Over recent years this bulletin has contained special studies of the important engineering groups, physicists and mathematicians, geologists, and of the employment experience of several of the recent science and engineering graduating classes.

The Department of Labour recently convened an advisory committee on professional manpower to serve as a medium for the exchange of ideas and opinions about scientific and other professional manpower in Canada, and to act as a consultative body to assist the department in its work in this field. Representatives on the committee came from a number of professional associations, and from government departments and agencies interested in professional manpower problems.

I do not want to leave the impression with you that we know all the answers about professional manpower. Some of my earlier remarks have indicated we do not. What we are trying to do is to use our resources in the department in ways that will pay the greatest dividends towards increasing our knowledge about Canada's resources or professional manpower. There are many problems which should be examined, and this is being done.

I have here a number of tables and charts, not very long, which give statistics. Perhaps I might outline them and thereafter ask for permission to have them printed in connection with my statement. They are as follows. Table No. 1 shows immigration to Canada in professional occupations during recent years. Table No. 2 shows the new supplies of professional persons from that immigration and from graduations over the past four years. Table No. 3 gives the same for engineers. Chart No. 1 is on the new supply of professional personnel from 1946 to 1953. Chart No. 2 is on the growth in selected professional occupations from 1931 to 1951. Finally, chart No. 3 gives a comparison of the degree of shortage and graduations of engineers from 1947 to 1955.

The Deputy Chairman: Is there unanimous consent that these tables and charts be printed in *Hansard.*

Some hon. Members: Agreed.

Mr. Gregg: The tables and charts follow:

Supply—Labour

TABLE 1.—IMMIGRATION TO CANADA—PROFESSIONAL OCCUPATIONS 1953-55*

Occupation	1953[1]			1954			1955		
	From Overseas	From U.S.A.	Total	From Overseas	From U.S.A.	Total	From Overseas	From U.S.A.	Total
Accountants and auditors	308	35	343	340	45	385	243	56	299
Architects	130	3	133	133	8	141	107	6	113
Chemists (other than pharmacists)	232	15	247	234	25	259	150	19	169
Dentists	31	1	32	24	3	27	17	8	25
Draughtsmen and designers	685	22	707	733	26	759	593	28	621
Aeronautical engineers	152	4	156	130	8	138	106	4	110
Chemical engineers	57	13	70	53	14	67	52	18	70
Civil engineers (and other prof. engineers n.e.s.)	479	40	519	450	38	488	354	48	402
Forestry engineers	25	2	27	10	3	13	3	2	5
Electrical engineers	371	17	388	469	21	490	338	30	368
Mechanical engineers	449	34	483	376	32	408	247	46	293
Metallurgical engineers	9	3	12	23	4	27	3	1	4
Mining engineers	51	7	58	46	10	56	44	19	63
Laboratory technicians and assistants n.e.s.	221	16	237	276	21	297	224	26	250
Graduate nurses	1,285	69	1,354	1,375	83	1,458	1,156	71	1,227
Physicians and surgeons	301	38	339	272	39	311	300	33	333
Teachers and professors	546	93	639	854	142	996	814	129	943
Other professional workers	2,332	769	3,101	1,471	559	2,030	1,286	578	1,864
Totals	7,664	1,181	8,845	7,269	1,081	8,350	6,037	1,122	7,159

[1] Prior to April 1, 1953, only totals for professional persons immigrating to Canada are available. This means that the occupational detail for 1953 relates to the last nine months of the year only.

* Data from Department of Citizenship and Immigration.

Table 2: New Supplies of Professional Persons in Canada, for the years 1946-1950 and 1951-55

Year	Net Immigration	Graduations	Total
1946-1950	-5,116	67,649	62,533
1951-1955	17,710	66,142	83,852

Economics and research branch,
Department of Labour,
June, 1956.

Table 3: New Supplies of Engineers in Canada for the Years 1951-1955

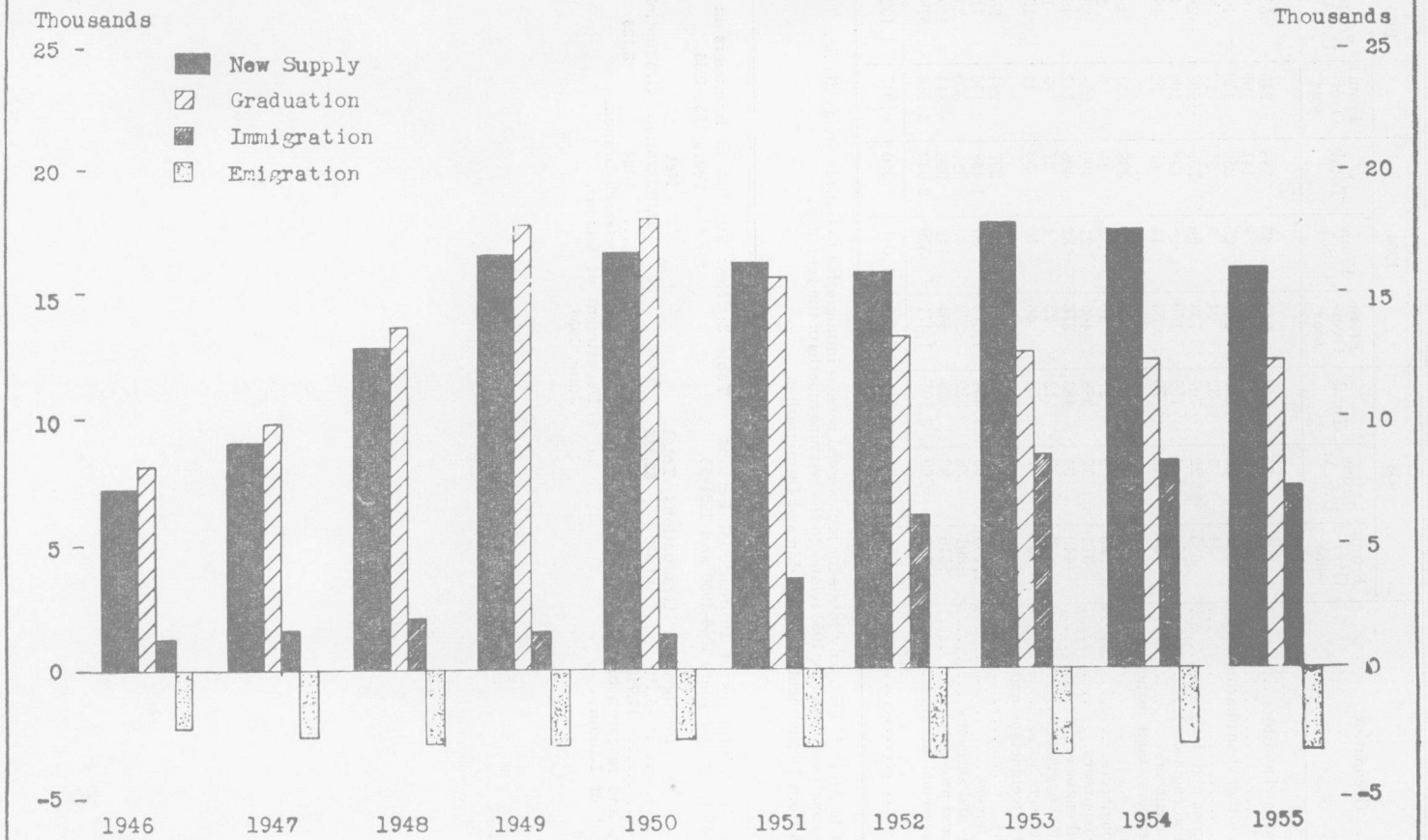
Year	Net Immigration	Graduations	Total
1951-1955	4,124	8,123	12,247

Economics and research branch,
Department of Labour,
June, 1956.

[Mr. Gregg]

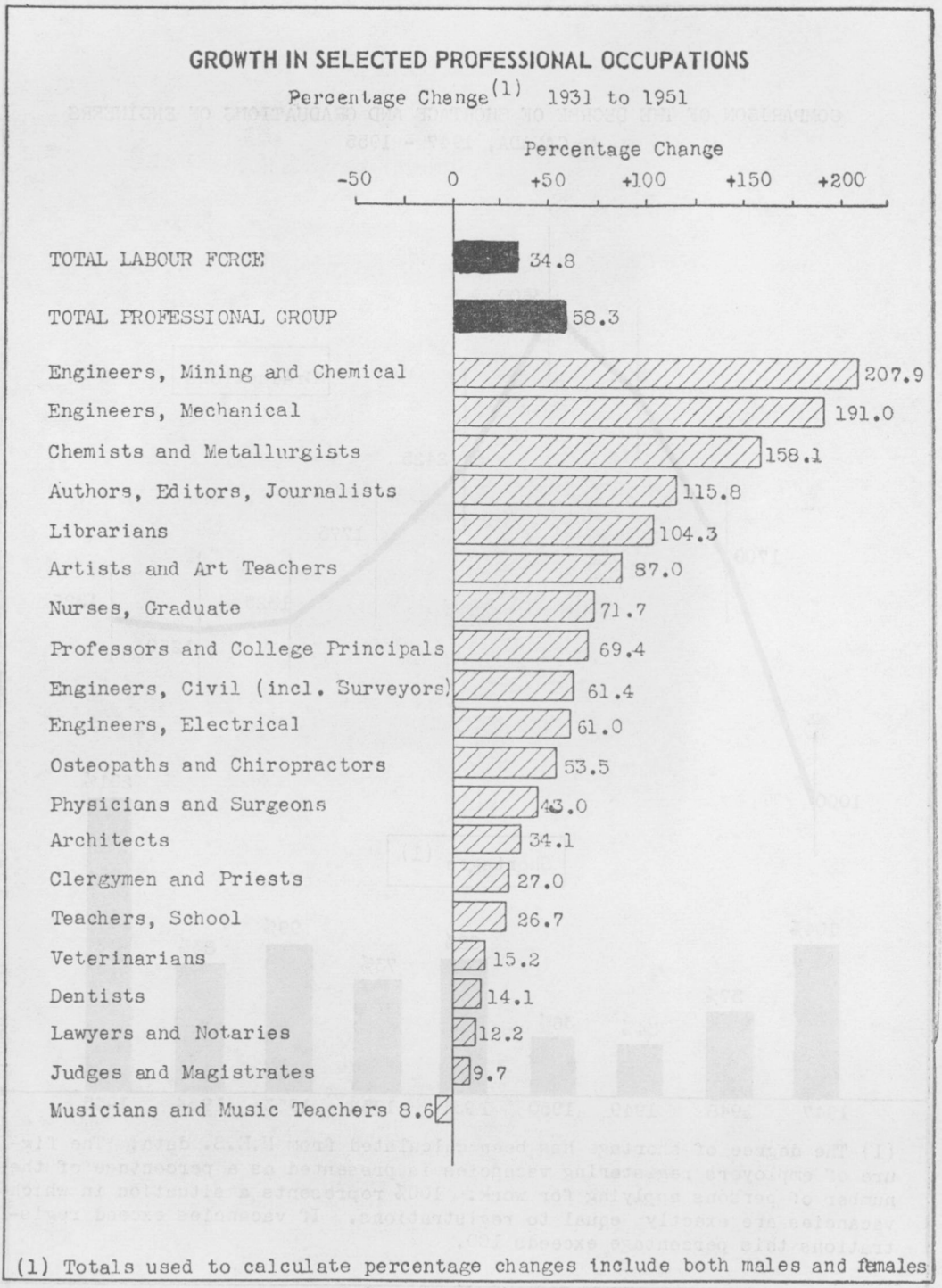
CHART 1

NEW SUPPLY OF PROFESSIONAL PERSONNEL, CANADA, 1946 TO 1955



(1) Graduation - D.B.S. Survey of Higher Education.
(2) Immigration, Emigration - Compiled by, Economics and Research Branch, Department of Labour, from Department of Citizenship and Immigration data.

CHART 2



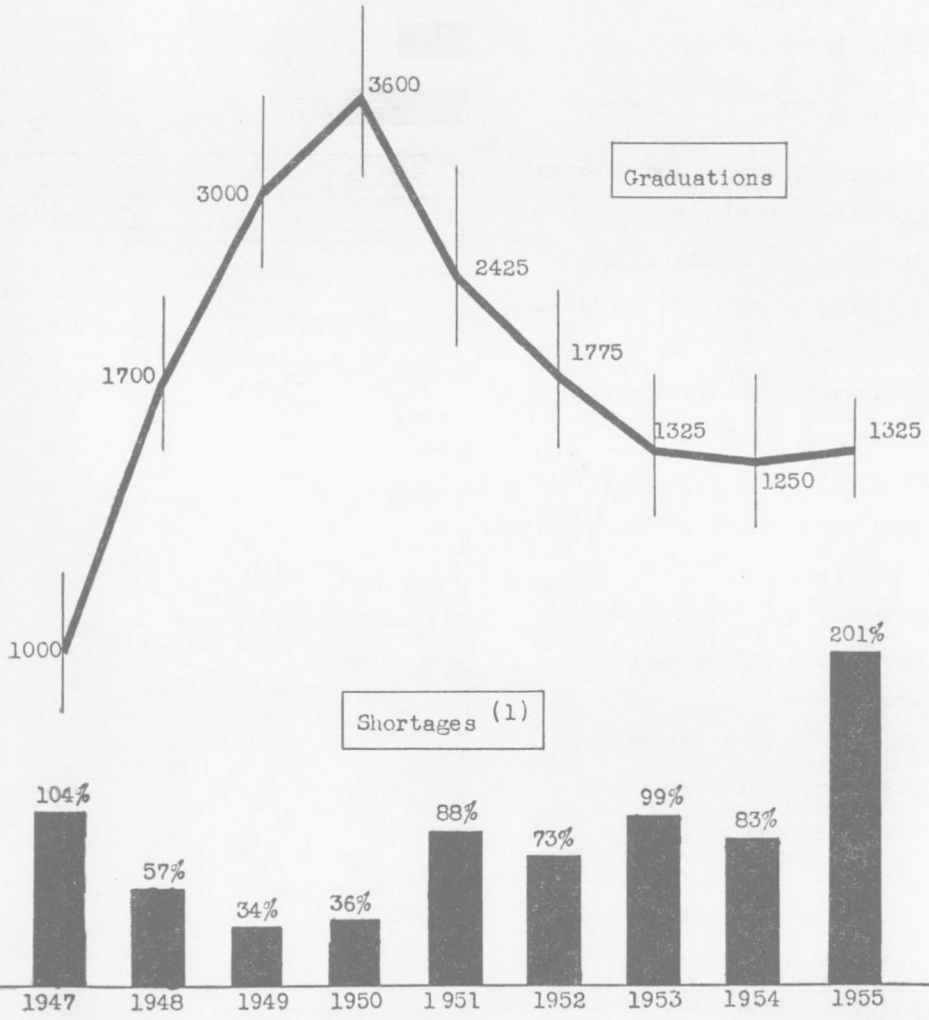
(1) Totals used to calculate percentage changes include both males and females

Source: Census of Canada, D.B.S.

67509—321½

CHART 3

COMPARISON OF THE DEGREE OF SHORTAGE AND GRADUATIONS OF ENGINEERS
CANADA, 1947 - 1955



(1) The degree of shortage has been calculated from N.E.S. data. The figure of employers registering vacancies is presented as a percentage of the number of persons applying for work. 100% represents a situation in which vacancies are exactly equal to registrations. If vacancies exceed registrations this percentage exceeds 100.

What I have been talking about so far has been related in the main to Canada's professional manpower. I would now like to make some comment about a broad study of Canada's requirements for non-professional skilled tradesmen and technicians in relation to future supplies. Apart from the importance of professional workers, adequate supplies of skilled and technical manpower are fundamental to the healthy development of a dynamic and progressive economy such as ours.

The productivity of industry and our competitive position in world trade depend very heavily on the skills of our labour force and on their adaptability in the light of changing technological requirements. In addition, over the next decade, many more young Canadians will be coming forward for training than has been the case over the past decade, owing to the rapidly rising birth rates of the early forties. It is also possible that Canada will not be as successful in securing skilled immigrant workers over the next few years as we have been in recent years.

All these reasons strongly suggest that increasing emphasis should be placed on the training of skilled tradesmen and technicians if our resources of skilled manpower are to meet the technological challenge of today's world. A program of research had been developed to throw light on these problems with a view to providing reliable information to assist management, labour, government agencies and educational authorities in reviewing and assessing the policies and actions which might best be taken in this important field.

Present and future skilled manpower training needs have been under consideration at recent meetings of the national vocational training advisory council. At its last meeting, the council requested that a study of this kind be undertaken as soon as possible by the federal Department of Labour in co-operation with the appropriate provincial departments and other interested agencies. This request was subsequently endorsed very strongly by the national apprenticeship advisory committee.

This research program will, of course, be centred on vocational and technical training as distinct from general education. It is recognized, however, that technical training must be built on the basis of a sound general education.

This research program might be described in terms of a three-pronged attack on the problem of vocational and technical training. The first part of the program is a project designed to evaluate industrial requirements for skilled and technical workers as they are being affected by the rapidly changing technology of industry in several important industrial groups.

As we are all aware, the pace of technological development is being stepped up very rapidly in this country and other industrial nations and, for this reason, its effect on training requirements for skilled and technical workers will become of increasing importance. Through interviews with key personnel in selected industrial plants, associations and unions and in other ways, an examination will be made of the relationship between technological change and requirements for skilled workers. Highly competent engineers on the staff of two of our leading universities are assisting in this part of the research program.

The second phase of the program is designed to secure information on typical ways in which skilled workers acquire their competence. This is important in assessing the adequacy of present methods of acquiring skills. In this phase of the work, experienced social scientists from university staffs are assisting in interviewing electronic technicians, tool and die makers and other selected occupational groups.

The third phase of the research program is designed to evaluate our existing resources for training skilled workers and technicians in public institutions, in private trade schools, and in industry. This will involve a review of physical facilities, staff resources, enrolments and graduations, the content of typical vocational courses and plans for future expansion.

When put together with the information from the other two projects, it will help in making an assessment of the adequacy of our training facilities in the light of future requirements and future technological developments.

This part of the project is being undertaken in co-operation with the appropriate provincial departments involved, with industries, unions and other groups having responsibilities for the training of skilled workers.

I am sure that hon. members will appreciate that this sort of study cannot be completed quickly. We hope, however, as the facts come in, that we shall be able to put together a picture of our resources for vocational training in Canada and a picture of the probable requirements for skilled and technical workers. This will enable governments, industries and other groups having responsibilities in the training field to evaluate their training programs in the light of changing conditions.

Mrs. Fairclough: I had not intended to deal at the outset with the matter just raised by the minister in this statement which he has given to us. But, inasmuch as it is fresh in our minds now, it might be appropriate to say a few words on that particular point. When we were in the committee we spent a considerable length of time trying to secure from the minister's department some information on this most important subject. I think that without exception the members of the committee felt frustrated in those attempts. Certainly it did appear that, despite the best efforts of the department—and I must say now that I think an excellent job is being done by the economics and research branch—obviously they did not have at their command at that time the information which was sought by the committee.

Mr. Gregg: May I just interject something?

Mrs. Fairclough: Yes.

Mr. Gregg: Because of the fact, as was evident in my statement this morning, that a great deal of it had to come from other sources that were not available on that particular day.

Mrs. Fairclough: That is just the point. I hope the branch now has the direction it needed to secure such information, because I must say I felt that the officers of that department had been handicapped in their efforts to secure information. Now, with the statement that the minister has made this morning, we have before us information we did not have previously.

I suppose there is nothing in our whole picture that causes us such grave concern as does the prospect of insufficient numbers of engineers, and other professional people and of skilled workers, and I am sure I do not know how we are going to keep in step with the changing economic picture unless we have these people.

Referring to the difficulty that we had in the committee, I think it is fair to say that the description of one of the reporters seemed particularly apt when he said it was like trying to nail a jelly to the wall. We certainly had a difficult time trying to procure the information we wanted. I am pleased at least some of that information will be before us in the report the minister has read to us today. Certain it is that the shortage of engineers in particular could seriously affect the Canadian economy, and I do not think that even now we know what we are likely to need. I do not think that the report the minister has given us this morning necessarily gives us that information. There was quite a bit of generalization in it, and while he talked about increasing emphasis being placed on certain things and the technological challenges which face us, nevertheless it seemed to me there was quite a bit of generalization in the report, and I would hope that the research which he indicates is going forward at the present time would result in something more definite than we have so far procured.

I notice that the president of the engineering institute of Canada had something to say on this point just recently. He fears that the lag in the production of qualified engineers will be a serious threat to the Canadian economy. I see that one of the writers who covered the event felt, in commenting on Mr. Heartz' words, that he was quite correct in emphasizing that the lag we are faced with is particularly unfortunate when the nation's continued prosperity depends to such a large extent on its ability to produce trained manpower.

However, I am also reminded that the Prime Minister, in reply to questions in the house early in May, confessed, I believe, that the government had no plans for increasing the output of scientists, technicians and engineers. I should like to point out to the minister that in this position, if it is true that nothing is being done apart from assessing our present position and apart from trying to direct young people into channels after they have procured their education, it might be well to note that in this respect Canada lags far behind other countries. Certainly in a free economy we cannot force people into occupations and professions into which they do not wish to go, but it is a fact that proper planning and proper instruction could probably encourage a good many people to take advantage of educational facilities which they might not feel otherwise that they were able to take advantage of.

I should like to draw the minister's attention to a bulletin, which he probably has already seen, issued by the United Kingdom information service. The leading article in it describes the plan for technical education in the United Kingdom. The lead paragraph, which is set out almost as a subheading, has this to say:

> Britain is planning a big expansion in technical education which is to be put in hand immediately. In England and Wales it is proposed to increase by half the output of students from advanced forces at technical colleges and to double the number of those released by their employers for part-time courses during the day. It is proposed to spend £85 million on buildings and equipment during the next five years.

In the course of the article—and I may say this is along the line of the minister's remarks in his report—it points out that technologists

must be adequately supported by large numbers of technicians and craftsmen, and goes on to say:

> . . . and the new plan will strengthen the base of this pyramid by improving education in all types of secondary schools and raising the number of school leavers able and willing to take courses at technical colleges.

All of this is in line with what the minister has reported to the house, but what I was particularly interested in with respect to this report from the United Kingdom was the action taken by the prime minister of that country and his words at a meeting of the parliamentary and scientific committee in London. At that time he appealed to both sides of industry, to management and to trade unions, to support the scheme and enable young men to have time off to study at technical colleges or universities. I should like to quote his closing words. Sir Anthony Eden said:

> It is not only that we cannot afford to lag behind with technical education, though that is true: it is not only a question of keeping up with research, though that is important; it is that countries which are now beginning to develop their industries are crying out for technical assistance. That is the further call to us. We must not fail to answer it and it means not so much machines as men. There is no one and no country who would not rather learn to help themselves than rely forever on help from others. They want the know-how. That is an item in the cold war.

We have in the past trained many young people and a great many of them have left this country. We have also procured from the United Kingdom and from the free nations on the continent skilled technicians and professional people who have been of value to us. But apparently even yet we have no knowledge, upon which we can depend for reasonable accuracy, of just what our requirements are, just how many of these people we have, just how many may be needed in the next few years, and all of this in an economy which is growing rapidly and the very nature of which is changing rapidly, an economy which has been described, by more than one person whose knowledge of affairs is extensive, as something in the nature of an industrial revolution.

Certain it is that many things that are strange to us now face us as a possibility or probability in the almost immediate future. So, Mr. Chairman, in the face of the demands which we may expect to be made upon us in the next few years I earnestly urge the minister to accelerate the endeavours being made by his department in co-operation with the provincial departments and through the committees which he has set up to inquire into these matters, and not to be satisfied with vague references and wordy reports but actually dig into the meat of the matter and come up with some sort of definite plan which he can present to parliament, even if it is a plan which is going to call for the expenditure of money, a plan which will produce greater and greater numbers of qualified professional people, technicians and skilled workers.

There are a number of things I should like to speak about in the course of the consideration of these estimates but some of them I shall leave for the appropriate items. There is one general observation I should like to make and I spoke of it briefly in the committee. From the answers received from officials of the department in the committee it seems to me that little or no consideration has been given to a decentralization of authority which could take over in the event of an emergency.

If perchance we should find ourselves in a difficult situation it will be too late to do anything about this. But certain it is that we have across this country a network of regional offices of the national employment service. The men who are in charge of those offices have now had extensive experience. They know their various localities. They know their local people. They work on the local committees. They are friendly with heads of industry and they are friendly with the members of the various unions and with the officers of the local trade councils. It therefore seems to me, Mr. Chairman, that there should be a very definite plan of action and that these persons in charge of districts should be instructed as to their responsibilities in the event of disaster and that they should be given the authority to confer with such persons as those in the civil defence organizations.

I do not mean that they should sit in with them in the plans which are being formulated at the present time. I mean that it should go beyond that. I mean that in the event that there should be no one to whom they could refer in the event that the person to whom they immediately report should be outside the sphere of communications by reason of breakdown of services or anything worse than that, I think they should have the authority to proceed without further reference to the department. I think this could be an extremely important point in the event of disaster striking this country. I urge the minister to consider this point seriously with a view to having every section of this country adequately manned by people who are willing and ready to spring into action at a moment's notice. I think it is important that this should be done. We all

know that, particularly in the civil service, there is a setup which is admirable and by which each person reports to a superior. I very much fear that, in the event of a breakdown in those communications, the persons who are charged with the local responsibility of maintaining order and of providing for maintenance of services will find that they will run into a stumbling block with regard to the procurement of the assistance which they need and which could be provided through the local offices.

Mr. Chairman, I think there is just one more point that I wish to raise on this first item, and that is the matter of a complete overhaul of the labour code. This is not a new point. I have spoken about it before. It is now several years since we were told in committee that this was being proceeded with. The rapid change in our working conditions and the changes which we face in the years immediately ahead of us have contributed in part to the outmoding or outdating of much of our present labour code. In fact, I do not think I would be guilty of any exaggeration at all if I were to say that the conciliation procedures and so on are antiquated. I know that in a department which has operated smoothly for a great many years there is likely to be a tendency to shy away from change, particularly overall change. There is a great tendency to feel that everything is quite all right as it is because nothing very serious has happened. But, Mr. Chairman, the time to make sure that nothing happens is in the comparative calm and quiet of times of industrial peace.

I suggest that we have had our danger signs. One of these was the necessity which the government felt it was faced with—with which we did not agree—of imposing compulsory arbitration on the railways five or six years ago. That action has had its reflection on negotiations with railway employees ever since. I must say that it is my opinion that the successful conclusion of the recent negotiations was due in large measure to the excellent services which were rendered by the chairman. I might point out that that chairman is a highly qualified person who has had startling success in that field, and that he is not a member of the judiciary.

Despite the very casual way in which the minister has brushed off the suggestion that some of the existing unions may run into difficulties over their certification, I feel that it may very well happen that the minister will be faced with a whole rash of judicial actions which will prove without doubt that the board actually has no power to recognize a bargaining unit where the name has been changed. I greatly fear that result. I know the minister has repeatedly said that all is well and that this will not happen. I feel that this is one more place in which action should be taken immediately in order to make sure that these certifications will stand up.

With reference to the conciliation procedures which are currently in operation, may I say that I do not think there is any member of this house who does not recognize the fact that in many instances they are so prolonged that, instead of providing a cooling off period—as was said in the brief of the Trades and Labour Congress and the Canadian Congress of Labour to the Gordon commission—they frequently provide a heated-up situation which does little to help solve the dispute that is under consideration. Then, too, in those long periods of conciliation proceedings there arises at the time of settlement the grievous question of retroactivity of terms, and quite properly so because it is a fact that the worker feels that his advantage should extend back to the time when the contract was up for renegotiation. It is also difficult for the employer to make his concessions back to that date because in the meantime he has been carrying on business or supplying services under the old terms. Hence here you have a conflict of interests where you might say that both sides have a real point. Yet the whole matter could have been solved by a speeding up of the conciliation proceedings. I think that one thing that is needed is more effective conciliation board services. I must say that in some ways I agree with the brief to the commission which I previously mentioned, where it is pointed out that probably the best manner of accomplishing this would be to appoint qualified and highly paid officers who would be able to move immediately into the field and effect a settlement in the manner in which Mr. Taylor did just recently.

But I do not think these things can be done offhand. I believe the minister should take immediate steps to set up a select committee to investigate the position in which contracting parties find themselves today. I believe this committee should be composed of representatives from all those bodies who will be affected. There should be representatives from the labour congress, such representatives from management as may be appointed by their respective organizations, legal representatives, and such others as may be named by the minister, who have had long and successful experience in this field. In the last 50 years much has happened in this country in the field of labour negotiations. It is well to remember that where at one

time a member of a labour union was considered to be one step above a criminal, today he is a highly respected member of his community.

A survey conducted by the economic research branch on January 1 of this year showed that in Canada today there are, it is estimated, 1,346,000 persons who are members of unions. That is too many people, Mr. Chairman, to brush off lightly. It is true that where a man is a recognized, responsible citizen in his community, who takes part in civic affairs and who is recognized by his employer as a valuable and conscientious worker, that man, as someone has said in a brief which I read recently, though I cannot remember which one, does not change overnight into an irresponsible individual. If he is goaded into actions which may appear to others in the country as irresponsible, then I think it would be well to examine why he was forced into that position.

I have seen a man whom I respected very highly, whom I had known for many years, whose word had been taken by his neighbours and his associates in church work and civic affairs as well as other fields of activities, who suddenly was placed in the position of being a striker because of conditions which he and his fellows found completely foreign to them. This man then found himself, along with others, criticized publicly in the press and by speakers as an irresponsible individual. I saw quite a number of men in that situation just a few years ago. When I read these remarks recently which I have just described, they struck home. It is true that people do not change their characteristics overnight. If they are responsible members of the community they do not suddenly become irresponsible because they feel that they must take action which may be deemed by others to be violent. In this particular case there was no violence at all involved. It was a very peaceful strike.

Now, Mr. Chairman, for all of these reasons I feel that action must be taken by the minister's department to bring up to date the provisions of the labour code, and in particular those provisions dealing with conciliation procedure. I ask him to take another look at it. I ask him to listen to the advice which I am sure must have been given to him by responsible members of the labour congress. If he has been led to believe in the past that what was good enough for people 15 or 20 years ago is good enough for people today, then I suggest he take another look and consider this matter very seriously. I ask that we have no more delay in actually coming to grips with a complete revision of the code. We have seen no evidence at all that anything has been done, despite the fact that almost yearly we have been told it was under consideration. I have other things I should like to bring up, Mr. Chairman, but I think I will be content to deal with them when the appropriate items come before us.

Mr. Gillis: Mr. Chairman, the question posed by the minister in his statement is one with which I am not going to deal at length. The hon. member for Hamilton West stressed that question of the shortage of engineers. I would advise any member of this house who thinks there is a shortage of engineers to take a look at the St. Lawrence seaway project. Most of the development of that project is on the Canadian side. I was there last Wednesday and took a look at it from Iroquois falls down to the Lachine canal. This project was mapped out and is being constructed by Canadian engineers. It certainly dispels the illusion that has been created over the years that we have to go to the United States for know-how because I think there is a much better job being done on the Canadian side by Canadian engineers than is being done on the other side. They are doing something on our side and that is pouring cement in the winter time which apparently they cannot do on the other side as yet.

If we are short of engineers, we sure have a lot of them working on that project and they are doing an excellent job. I shall have more to say on that at some other time. I think this talk about the shortage of engineers and the shortage of scientists has been overworked. I do not think there is anybody in this country in a position to give you any facts on it as yet because I do not think there has been any study.

Mrs. Fairclough: That is the trouble.

Mr. Gillis: Why anticipate it; why go into the realm of prophecy; why talk about something that we do not know anything about? It has been overworked. Any project in this country that requires engineering skills today will find engineers in Canada to handle the job.

I am not going to deal with the national labour code. I was a member of the committee that set up the code. I know its limiting factors. I think one of them is the enforcement of the code. I have argued a good many times in the house and I introduced a bill into this house that was designed to take the enforcement of the code, in the matter of certification, violations, penalties and fines, out of the hands of the courts of the country. Labour relations do not belong in the criminal courts of Canada. The department has a lot of trained personnel. Just as the government enforces the Income Tax

Act, the motor vehicles act and so on, a competent national labour board should function and the enforcement of the code should be in the hands of the labour board and not in the hands of the judiciary of this country. That is one of the things that are badly needed. I believe that if they were enforcing their code, handling the thing themselves, ultimately the limiting factors in the code today would disappear because I think they are largely matters of administration.

Then, there is the other point made by the hon. member for Hamilton West to the effect that in the event of an emergency the national employment offices should occupy the position of directors of safety in the different areas across Canada. That, of course, would mean that you would have to have national emergency powers. It was not popular in some sections of the house when we were arguing to retain it to meet the very things the hon. member for Hamilton West fears.

I was glad the minister decided to lay over any discussion of the Unemployment Insurance Act until he and his officials have had an opportunity of further studying the matter and making up their minds as to what might be done with respect to amendments, and then taking it back to the industrial relations committee, the committee which worked on the amendments to the act last year, for the purpose of further discussing it and finally bringing it back to the house and handling the matter here when there is nothing else in the way. That was a good decision. As a member of the committee I appreciate the fact that hon. members co-operated with the minister to the extent they have on this particular point.

There are many spots in the minister's department that we could be critical of, and we must be, but this department is doing a lot of good that is not generally known. I do not think the sending of the estimates to the estimates committee shortens the time or serves very much purpose except that it gives the members who are on the committee an opportunity to get a lot of information that they would not get were the estimates taken up in the house cold. I know the briefing we got in the committee from the minister's officials was valuable in so far as the members of the committee were concerned, and, of course, it is our job to pass on to the members of the house any information we receive.

There is one spot that I was rather critical of, and I still am, and that is the movement of workers in Canada from province to province. There are spots in this country where we have permanent unemployment which necessitates the movement of workers from that area to other parts of Canada. For example, there are men going from my own area to the logging industry in British Columbia. That is a long way from home. They are going as far from home as an immigrant who comes in here from Europe. The transportation of those people to British Columbia is not assisted in any way by the government, but immigrants who come here from Europe under the department of immigration can go to a hostel in Montreal and be housed there and maintained while the immigration department goes out and finds jobs for them. If they have to move to another part of Canada they are assisted in their passage and at the same time they are guaranteed medical coverage for the first year of residence in any province of Canada while they are in the country and go out to a job. My criticism is that if we can do that—and I am not objecting to it—for immigrants, the same principle should apply in the movement of workers from Cape Breton island to Vancouver, which is taking place, or to Steep Rock, where others are being sent. I am asking the minister and his cabinet colleagues to take a look at the question of assisted transportation for workers who are moving within Canada. Never forget that many of these people are ex-service men and many of them were previously employed and were taxpayers for a long time. Unfortunately, their employment has disappeared because they were working at mining which is a wasting resource. They find that although they had an investment in the community they had to move on. The least that can be done is for the government to assist them with transportation.

Mr. Gregg: Will my hon. friend permit a question?

Mr. Gillis: Yes.

Mr. Gregg: Would he or would he not draw a distinction on the one hand between a large group of workers such as he has referred to moving out to work for the British Columbia lumbermen's association, perhaps hundreds or more, many of whom may come back, I would hope, and on the other hand a few people who are moving from a depressed area without any prospects of ever getting permanent work in that area and who are leaving the province for another part of Canada to settle and work and to make their homes there? I would like to have his views on that because in the latter case we do have some discretion, as he knows.

Mr. Gillis: No, I would not draw any distinction. When the British Columbia lumber industry comes down to Cape Breton island and takes a hundred men, as they have done recently, and moves that hundred men out to British Columbia, I think the government

should give the same protection to that group of people that they give to the immigrants who come here from Europe. I believe their passage should be assisted. Under the circumstances that the minister and I know with respect to that particular movement, the extent to which the government chips in is that if someone dropped off en route and did not make his destination the government covers it. I still think that once this problem is nailed down and the cabinet understands it the minister will have no difficulty in selling the idea of assisted passage. Most of these people who go to that industry and to Steep Rock—there is a movement of possibly 200 people to Steep Rock—will remain. I do not think 1 per cent of these people will come back.

Mr. Herridge: Not from British Columbia, once they get there.

Mr. Gillis: It will be good for British Columbia, of course, if they stay. They will not come back because there is nothing to come back to; no new employment is being created in the area. I am going to leave it with the minister. I hope that the minister's colleague will consider this matter and amend the legislation.

As I said before, the department are doing many things which are beneficial but they are not known. Take vocational training for example. The officials of the department gave us an excellent brief on what is happening in that field. That brief was quite wide and comprehensive. It indicates that the legislation provides many opportunities for the provinces to do something with respect to training young people or retraining unemployed. I have in my hand the document with which we were supplied and it proved a real revelation to me. I try to keep track of all these things, but I did not know about much of the material in this document. It is a worth-while plan and hon. members of the committee should take a look at this kind of thing.

The minister is authorized to undertake and direct research work, to disseminate information in the field of vocational training. It is provided that the minister may enter into an agreement with a province for a given period to provide financial assistance up to an amount equal to that expended by the province. Many types of training are provided for. There is the training of supervisors in industry, rehabilitation training of disabled civilians, training to increase the skill and efficiency of workers in agriculture, forestry, mining, fishing and other primary industries, including homemaking.

The initiative in taking advantage of the legislation rests with the province. That is something which is not generally known. Many people will ask what the federal government is doing in connection with vocational training and they do not understand that the initiative must be taken by the province. Agreements must be entered into. In my judgment the legislation can do a good job of work in any province provided the province is willing to co-operate.

As the minister knows, a school was set up in North Sydney during the war for rehabilitation services. It did a good job and trained a total of over 3,000 people, many of whom are scattered across this country in responsible positions. The school was allowed to run down and the equipment was practically all moved out. A couple of years ago the minister and I began to talk about the rehabilitation of that school to re-train unemployed. That was done and the school has been in operation for the last two years.

When I was home last November I visited the school and it happened that 20 students were being graduated in diesel mechanics. They have a very good setup there to train diesel mechanics, about as good as you can find anywhere in the country. They have over $200,000 worth of diesel equipment on which the boys are working under a competent instructor. Every one of those 20 young boys who were being graduated was going to a job, many of them to the C.N.R. shops, to work on diesel equipment.

The supervisor of the school is a most capable person and recently I wrote to him to ask how things were going. He tells me he has a course in diesel mechanics, sheet metal, two classes of auto body mechanics, and courses in welding, carpentry and plumbing. He is teaching six different trades. The enrolment shows that approximately 24 per cent never worked before; 33·8 per cent are receiving further training in their chosen trades, while 42·2 per cent were unemployed and are being re-trained in other trades. The school can accommodate about 200 pupils and I understand there are about 80 enrolled at the present time.

These students are learning trades which are most essential today. The brief I have here indicates that the Department of Labour is conscious of the need of training in various trades. It is indicated that there is a shortage across the country in the skills which are being taught in this little school. In my judgment vocational training and trade training in these centres is most important.

Of course every section of the country wants a vocational high school which would come under the department of education of the particular province. While trade training is carried on the entrance qualifications

are a little more difficult than in the case of the trade training centres. I hope to see a vocational high school on Cape Breton island before long, but the people I am chiefly concerned about at the moment are those who have been able to go only to the eighth or ninth grade and do not intend to go through a high school. A high percentage of boys and girls leave school after finishing the eighth, ninth or tenth grade. They are not interested in university training, either because they are mentally handicapped or because it is financially impossible for their parents to have them go any further. As I say, the department is doing an excellent job in connection with trade training, but I want to stress again that it is up to the province to take advantage of the federal legislation. The legislation is available to solve the problems which exist in that field.

There was another matter in connection with which we received a brief which was all information to me, and that is student's aid. I received many letters in this connection. A boy may finish high school and perhaps his first year in university and then find himself financially embarrassed. He wants to know where he can go to get a loan in order to finish university. I was not aware that the minister's department was able to supply an answer to that question until I sat in on this committee.

The mechanics are that a board is set up in each province which receives applications from students requiring loans. A student must be recommended either by his high school teacher or by a member of the faculty of the university to which he intends to go. But loans, grants and bursaries are available. With the legislation that exists and is being administered by the minister's department and other departments of the federal government, I do not think there is any need for any young person in this country who possesses the necessary capabilities to be denied a university education. I believe the machinery is there in the minister's department.

The first approach is to the local board in the province. I am putting all this on the record because I want this information to get out to the country where people may read and understand it and know exactly where to go. There have been many a young boy and girl who could have gone through university had they known about this legislation, but they did not. In my judgment the minister's department has the answer to getting a boy or girl through university, provided they know the proper approaches to make and the people to contact.

Another section with which I was very much impressed was the women's bureau.

[Mr. Gillis.]

For the first time in the committee we met the lady who administers the women's bureau and we were handed some literature. That bureau, in my judgment, is going to make a valuable contribution to the minister's department. The work that they are doing and the grasp that that woman has of her own particular section of the department in the short time it has been functioning were very encouraging, and, I might say, very complimentary to her. I hope that over the years that section will be built up and that more women will take part in studying labour relations, because it is a very important sector of our society, it is the wealth-producing end of our society, and women can play a very important part in it. I just want to compliment that lady for the job she is doing now in setting the mechanics for the future in that particular section of the minister's department.

Next I wish to say a few words about annuities. That, of course, is a very unpopular subject to some people outside the house. A few years ago the minister tried to amend the act and to write in a cash-surrender clause, which I think should have been written in, but with the barrage from coast to coast of pressure groups he retreated. I hope it is just a retreat and that he will organize and move forward at some time in the future. That is another branch that is not generally understood. The person who administers that department gave us a very good picture of what the annuities branch is doing, and I am going to put that on the record.

There are at present 64 full-time and 21 part-time annuity representatives located in 50 major centres from Halifax to Victoria. Overhead expenses, including the compensation of annuity representatives, are paid from general government funds. The proportion of expenditure to receipts is less than 2 per cent. That is not much to complain about.

The annuities branch consists of six divisions and is located in No. 5 temporary building, Carling avenue. These divisions are: group, actuarial, individual contracts, accounts, sales and administrative services and legal. There is a staff of 174. This is a reduction of 38 since 1949-50, even though there has been an increase in the volume of work. Contracts and certificates under administration are 100,000 more in number than in 1949-50, and there are 30,000 more cheques being sent out each month.

As of March 31, 1955, there were in force and under administration by the annuities branch 159,532 individual contracts and 190,129 certificates under 966 group contracts, a total of 349,661 contracts and certificates; payment of annuity is being made under

68,130 of these contracts and certificates. The annuities fund as at the end of March 1955 was $864,543,038, and the net receipts for the year were $68,594,250.

I just thought I would put those statistics on the record for the information of those who scream from time to time: "You should not be subsidizing these annuities." Well, there is not much of a subsidy, but the important thing to remember about the annuity is that it has been a yardstick for the insurance companies across this country over the years. It has at least kept them looking at their rates.

Another point I wish to make is this. The group insurance contracts that exist in industry all over this country are based on the actuarial work done in the annuities branch. Industry does not have the facilities to do that. That branch has done a very important job in setting those group contracts, and they are still farming them out.

I wanted to say that and to put those few statistics on the record, but I hope the minister will get around to writing in that cash surrender in the annuity. Mistakes have been made in taking in people, for example, veterans and civic employees. I am thinking of my own end of the country now. Many veterans established contracts under the annuities branch, and these veterans were taken in under protest. They said, "We do not have to go in; we have the protection of the War Veterans' Allowance Act." But they went in, and after one or two years the department finally permitted their release. They were released, but the money is still there for the two years when they paid in, and they cannot get it back under the present contract or under the present act. Many of these are young men who have since married and are building homes. They have a few hundred dollars that they would like to get out to use for building homes. I believe that is merely an administrative matter. I think that even under the present act, where there are extenuating circumstances such as that, the minister and the administrator of the act might be able to sit down and release the money that was tied up and that belongs to people who did not want to go in in the first place but were taken in by the town or city as the case might be. That is found right across the country, but it is a pertinent question in my own end of the country.

I notice that my time is just about to expire. Like the hon. member for Hamilton West, there are odds and ends that I have not dealt with yet, and I shall have to deal with them under the appropriate items.

Mr. Dinsdale: Could I ask the hon. member a question?

Mr. Gillis: Yes.

Mr. Dinsdale: I did not want to interrupt when he was dealing with the shortage of engineers, but is the member aware that our engineering schools have announced that there are jobs available for 1,500 more engineers than were able to graduate this year?

Mr. Gillis: I do not know, and I do not know how they know.

Mr. Dinsdale: The graduates are in demand.

Mr. Gillis: I do not think there are any data. I think everybody is guessing. I shall have to be shown some statistics. Universities are in business; taking in students and getting tuition fees is their business, and I do not blame them for looking for more students. We will not know until such time as there is some information available. I have talked to different government departments and tried to get statistics. We tried in the minister's department. There is no information. When we started to build the St. Lawrence seaway I heard the story that we would not be able to get enough engineers. There are 16 different contractors and there are all kinds of engineers. We are doing that job ourselves. Not one man came in from the United States. Actually our fellows are showing the Americans how to do it. The hon. member asked me if I knew. I do not know and I do not think anyone knows. The minister's department is going to make a study of it, but until the study is completed and we have the statistics we will not know. It is a hypothetical question at the present time.

Mr. Blair: May I ask the hon. member a question?

Mr. Gillis: Certainly.

Mr. Blair: Is he aware that the universities have had to increase their fees and that some of the universities are running these courses at a loss? They are practically all running them at a loss. The hon. member made the statement they were in business. I cannot agree with that. They are not in business, and they are running these courses at a loss.

Mr. Gillis: They are not running charitable institutions.

Mr. Blair: No, they are not.

Mr. Gillis: So they are in business.

Mr. Blair: Yes, but not for profit, not that type of business.

Mr. Gillis: I do not know anything about the question.

Mr. Blair: I know that some of these courses are run at a loss.

Mr. Hansell: Mr. Chairman, I will let the hon. members argue between themselves whether or not the universities are in business. All I know is that they are doing a pretty good job of training men for the various professions for which they are responsible for the training. The hon. member for Cape Breton South said there were a lot of loose odds and ends that they would pick up eventually. I quite expect that will be so. These odds and ends, including the one we have been talking about, can be picked up during the discussion of the minister's estimates.

I am not going to deal with odds and ends. I am going to deal with what I think is something of fundamental and basic importance. I am going to deal with the matter in very broad terms. The minister is administering a very large department. We will have to vote altogether in the neighbourhood of $70 million to $75 million for his department this year. We know that labour plays a tremendously big part in the nation's business. It seems to me that the particular function of the minister's department is to see that labour and industry run as smoothly as possible and to make regulations here and regulations there in order to get out of labour and industry the very best that they can give to this nation's welfare.

I do not place myself in any position of severe criticism of the minister or his department. I will say, however, that generally speaking I think that industry and labour in Canada will run smoothly enough while industry is able to expand, while we have a time of comparatively full employment. I wonder though what may happen should the eventuality arise where industry ceases to expand. What then? Suppose industry ceases to expand by reason of a recession or depression. We do not like those words. We hold up our hands in holy horror as we think of that possibility but we must not put on the ostrich act and put our heads in the sand.

We here are not only responsible for the things that happen today. We are responsible for the things that may happen in the years to come, and we must legislate and discuss legislation on the basis of what is going to happen tomorrow. I do not look for any immediate depression. I am not going to appraise the future but I do believe that if a recession or depression should happen and industry fails to expand the country is going to be plunged into chaos.

My hon. friends who have preceded me have discussed the lack of engineers. I too do not know what the statistics are but I believe we have good reason to say that there is a lack of engineers. I am told that engineers are given positions by private industry long before they graduate from our universities. I know that for a fact. I am not discussing the statistical aspect of the question. However, I am going to say that, should industry come to the point where it does not expand, should there be a recession or a depression, then, notwithstanding what the hon. member for Brandon-Souris says about our lacking 1,500 engineers, you would be able to buy them for a dime a dozen.

Mr. Howe (Port Arthur): Not that cheap, surely.

Mr. Hansell: Of course, that is a phrase.

Mr. Gillis: They were in the bread lines in the thirties.

Mr. Lennard: Anybody can make wisecracks but it is another question to back them up.

Mr. Hansell: Well, you give me a phrase to use. I will use your phrase.

Mr. Lennard: Oh no, I will not.

Mr. Hansell: I said a dime a dozen. Maybe they will not be that cheap. But I do know that if a major depression should overtake the country you will find that engineers and professional men as well as labour will be thrown upon the relief rolls of this country. I am not too much concerned about the phrase, "dime a dozen", but I am concerned about what might happen to the future of this country. We have all experienced the days of the hungry thirties. I experienced those days.

Mr. Howe (Port Arthur): May I make a suggestion to my hon. friend? Do not worry too much about the engineers. They do all right in good times and bad.

Mr. Hansell: I can assure the minister I am not worrying too much about them. I was only picking up the loose ends my hon. friends were talking about.

Mr. Howe (Port Arthur): There is also a shortage of clergymen, is there not?

Mr. Hansell: I am going to say to my hon. friend that some of us have experienced depressions. I experienced the depression, and although I was a clergyman in those days I will tell my hon. friends that I was on relief then. When I went to get my relief cheque every couple of weeks I stood in line with professional men. I do not know that there were any engineers in the line but there were one or two lawyers, and if lawyers cannot make a living in a depression I do not think anybody else can. Those are facts.

I am not talking about engineers or any particular profession. I am saying that everything is nice and rosy, everything goes along lovely as long as the country is going through a period of expansion, but as soon as that expansion ceases we are plunged into depression and chaos, and even the strong labour movements we have in our country cannot cope with that sort of situation. I would proffer this thought to the minister, whether he will agree with it or not. The labour movement have fought over the years for the position in which they find themselves today. That is well and good and I do not want them to lapse into any inferior position having regard to the position they are in today. In days of prosperity even the labour movements become stronger, if I might put it that way, and are able to accomplish for the working people of this country the thing that they are after; but as soon as depression comes, even labour movements begin to break at the seams and fall apart. That is something that I think even organized labour itself should take into account, and I think it should prepare itself for that possible eventuality.

Unless we get down to the basic and fundamental principles of our whole industrial system we are not going to solve what eventually might be a terrible problem that this country would have to face. I think that labour and management and government perhaps at all levels should take a new look at those basic principles which make our entire industrial system function. Several questions must be asked. There is no use in dealing with secondary things. If there is something basically wrong, you will not heal that basic ill by fooling around with secondary things that may appear to be wrong. We must ask ourselves some questions such as these: What is the purpose of industry anyway? Is the purpose of industry to give people jobs? As I have said before in this house, I say that the purpose of industry is to produce goods and services. I am not going to debate the pipe line but that, to my mind, is an advance in this country's expansion. If I had my way, we would have many pipe lines. If I had my way, we would have many trans-Canada highways. There is a great deal that we can do provided that the purpose of these things is recognized and provided that the basic principles are made to apply in order that we may serve that ultimate purpose.

What is the purpose of industry? Is it to give people jobs? We assert it is not. We assert that the purpose of industry is to produce goods and services that can be distributed to the people so that they can have a higher standard of living. What is the purpose of production? Is the purpose of production to give people jobs? No; the purpose of production is to produce in order that the nation may consume. What is the purpose of labour? Is it to make money? Is it to make a fast buck? Is it to increase salaries? The purpose of labour, of course, is so to fit into industry that they are able to produce the goods. That is the purpose of a job. But of course we have lapsed into a complex where we have become so money-conscious that we think the purpose of a job is to get money; that the purpose of industry is to get money; that the purpose of everything in the country is to get that dollar which is so hard to get. We might go a little bit further and we might say, "What do we want to get the dollar for?" That is the thing. We want to get the dollar because we believe it will buy something. What do we want to buy something for? Because in the ultimate conclusion the things that make for life and happiness are the things that we produce.

We have said over and over again that we are living under a dog-eat-dog system and that is why, in a system that is basically wrong, one class is pitted against another. A man once said to me, "If you do not beat this system, the system is going to beat you". So what do you have? You have a scrap. I do not like to refer to dogs because I might get into trouble by referring to them. However, the system works like six hungry dogs fighting over five bones. What is basically wrong? There is no use saying, "We will have to produce better dogs that are able to fight a little bit better" or "We will have to produce better bones". There is no use in talking along that line. We assert that is exactly what is wrong with the system. So all we say is, "That should be easily remedied; throw in an extra bone so that there are six bones for six dogs". But no; that is not the government policy.

Mr. Knowles: One dog might get the six bones. You still have the problem.

Mr. Hansell: Then you can put in a few more bones and let the other five dogs get six bones each. That is the thing. I only use that as an illustration. That which is basically wrong, according to our view, is that there is never enough money coming out of the process of this production to buy back your total production. That being so, you must go into debt, as the people have done today to the tune of consumer credit to something like $2¾ billion and then they find, of course, that there is a claim on their future wages so that they cannot buy future production. The result is that you have

surpluses. The result is that you have starvation in the midst of plenty. Depression comes, with goods piled high and nobody working. That is the thing. How are we going to beat that situation?

I see that it is one o'clock, Mr. Chairman, and I will not go any further. I think that eventually it will be a case of either adopt Social Credit policies or go under. Of course eventually Social Credit policies will be adopted because eventually we are going to take over here some time or other. Then we will prove that you can have enough bones for enough dogs.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Hollingworth: I should like to say a few words this afternoon about part of the estimates that come under the minister concerning education. Some time earlier in the session I had the pleasure of introducing a resolution dealing with aid for needy university students, and I should like to take this opportunity of thanking all those in the different parts of the house who supported me that day. Today I want to speak more specifically about technical and scientific assistance.

I am not unmindful of the assistance that the federal government has already given in this sphere. For example, we all know that this year, 1955-56, the federal government has decided to give some $7·8 millions in unconditional grants to the universities in Canada. We also know that vocational training assistance in 1954 by the federal government amounted to $1,350,000. As I mentioned previously on another occasion, the house is also aware of the fact that student aid has been granted to students who wish to attend universities and who would not otherwise be able to attend because they have not the financial means.

I might say, Mr. Chairman, that a very good example of the lack of assistance was brought home to me once when I was coming to Ottawa one Sunday afternoon on the train. At that time there were some students from the collegiate institute at Oshawa who wanted to attend university next year. But upon questioning them I found that they did not have the means. Presumably they were both above average from an academic standpoint or they would not have been chosen to represent their schools at the Rotary convocation here in Ottawa. Neither one of these students knew where they were going to get the money. Apparently they had not heard about student aid. I think possibly that has not been publicized sufficiently, and I say that with respect. I think the government, in co-operation with the provincial departments of education, is doing an excellent job.

In dealing with this matter of education, of course, it is necessary to reiterate time and time again that education generally comes under the jurisdiction of, and within, the ambit of the different provincial governments. In other words, the British North America Act gives general education exclusively to the provinces and it is most important that the federal government do not impinge upon this general constitutional right. But, Mr. Chairman, there are certain specific fields in which the federal government can give assistance without impinging upon this jurisdiction, and that is one thing I should like to talk about this afternoon, namely vocational, technical and scientific aid. I would hope that the federal department of labour would endeavour to assist in this field to a greater extent. I think we all in this house appreciate the sympathetic consideration and the very great administrative ability the Minister of Labour has brought forward in this field. I for one, and I think most members of the house would agree, feel that once the fiscal arrangements have been developed between the provinces and the federal government this aid could be greatly extended. I think we would all welcome that time.

It is rather interesting that in this house today the question of the need for scientific personnel was brought up. In an editorial in last night's Toronto *Star* there was one paragraph that I should like to quote to the house. The *Star* was discussing the conscription issue raised by a Canadian general. I am not going to discuss that, Mr. Chairman, but I do want to quote this one paragraph, which I think is relevant. The *Star* said:

> What Canada desperately needs is more engineers, technicians, doctors, school teachers and other qualified professional people. The federal funds which General Simonds would spend on compulsory military service would be better employed helping Canadian educational institutions turn out graduates required for the development of this country—and the health and progress of its people.

I am quoting that because I think that that is the general opinion in this country, that we do need more trained personnel. I think it is important to trace the historical background of the development of our country if this basic premise is correct, and I submit it is. Canada has changed in the last 50 years from a predominantly agricultural economy to one which is concerned with the processing of raw materials and the development of products of the mines

and the forests. In other words, it has been changing from an agricultural economy to a manufacturing economy with the tertiary industry of service. We have been changing our whole economy in this country, and of course agriculture in itself is becoming more specialized. It follows from that, Mr. Chairman, that we will be needing an increasing number of specialists in Canada. I am informed that in 1931 there were 420 engineering and science graduates; in 1952 there were 1,770; and in 1958, it is estimated, there will be 2,250. I am interested in the observation of my hon. friend from Brandon-Souris in which he claimed that 1,500 more engineers could receive positions if they were graduated this year. This seems to me to be reasonable and I would think that that conclusion would be correct, although I have no statistics to back it up.

It is interesting to compare those figures with the figures for the United States. In the 20 years from 1930 to 1950 there was an increase in United States engineers from 260,000 to 850,000, a growth rate of 227 per cent, whereas in the same period the population in the United States increased only 23 per cent. It is estimated that in Canada in 1975 there will be 16 million people over 14 years of age, and the non-farm labour force will be 7,500,000 as compared with the 4,600,000 now. We can, therefore, expect our requirements for professional workers to increase by more than 60 per cent over the next 20 years. Another reason for the increase in technical and scientific personnel will be seen in the growth of the country, the gross national output it might be called. In 1949 the gross national expenditure was about $16 billion; in 1955 it is estimated the gross national expenditure will exceed $21 billion. If one were to project this to 1975 it is estimated it would be $48 billion.

Again, we have the matter of technological changes. We all know what a tremendous impact on our country's growth the introduction of atomic energy has made. We are all aware of the vast and far-reaching effects of automation. New professions have come into being, such as town planning. For example, in my constituency of York Centre, where there is a tremendous housing and industrial development, town planning is very important, as is traffic control. Indeed when one picks up the Sunday edition of the New York *Times* one can see the demand for such specialized activities as designers of business machines; instrument engineers, semi-conductor engineers, telephone engineers, guided missile engineers, nuclear engineers, structures engineers, transistor applications specialists, and so on.

It is a very bewildering world, Mr. Chairman, and I submit it is going to become increasingly so the more science is advanced and the more technical knowledge is ascertained. Now, of course, the government does help out in this field. I have already mentioned vocational training. I think hon. members are aware of the scholarships of the national research council and the defence research board.

Finally, Mr. Chairman, a very important reason why we should train more technical men, more engineers and more scientists can be found in the struggle, shall I say, between the soviet orbit and the western world. The influential and authoritative British weekly, *New Statesman and Nation,* pointed out on Saturday, January 21, that there will be 4 million technical graduates turned out by the Soviet union in the next five years. As a matter of fact, Dr. Solandt, formerly chairman of the defence research board, now vice-president of the Canadian National Railways, put it this way in the fall of 1955:

> The present relative stability of the world depends upon a balance of defensive and offensive capabilities between east and west. This balance in turn depends upon the productivity of scientists and engineers in the two halves of the world. Since 1950 it has become increasingly obvious that, at least in certain selected lines of development, the Russians were actually overtaking the west. Recent attempts to find the explanation for this phenomenon suggest that it lies in the field of education. Because of this the output of scientists and engineers in the U.S.S.R. has overtaken and passed that of the U.S. and may soon exceed that of the major nations of the free world combined. The best evidence we have suggests that this increase in numbers has been achieved without any sacrifice in quality.

And now, Mr. Chairman, this statement shows more conclusively than anything else that unless we have an increase in the number of scientists and technicians in Canada and in the western world we may well lose the battle to totalitarianism in this field. Of course, I have not said anything about the humanities. It is interesting to note that the president of Du Pont of Canada Limited, I believe, was reported in the Montreal *Gazette* of yesterday morning as saying that it was a mistake to emphasize the engineering aspect too much; that we should also emphasize the humanities. I hope that nothing I have said today will be construed as implying that I wish to weigh the balance against the humanities. Probably it is desirable to stress the fact that in this world at the present time we need more engineers and more technicians, but we must not neglect the humanities, we must not neglect the arts. My plea would be for increased assistance both to scientists and to engineers and to those who are pursuing the humanities.

Just before one o'clock I heard one of my friends state that engineers might well be a glut on the market if a depression were to occur. Mr. Chairman, I think we on this side of the house and in this country have indicated that we certainly do not expect any return to the 1930's. The fact that more and more economists are being trained who are making specific studies into business cycles and the fluctuations in world economic conditions is one of the best reasons why we should continue to turn out more trained men. Actually, education is not a burden to anyone. The more university graduates that are turned out in the sciences, in the humanities, in the social sciences and in economics, the more opportunity we in the nation will have to prevent cyclical depressions, cyclical recessions, and so on. Therefore, that is one good reason why we should turn out more engineer graduates, more university graduates all the time.

Mr. Trainor: Is the import of what the hon. member is saying the advocacy of increased federal aid to universities? If so, I would be glad to support him wholeheartedly.

Mr. Hollingworth: Certainly. I think I made that statement at the beginning of my speech. Perhaps my hon. friend was not in the chamber at that time, but as I pointed out, I am making a plea for increased aid to universities and to technical personnel. I am not asking for increased aid for education generally. I think we must draw the line there, and I think my hon. friend will appreciate the distinction.

Mr. Hees: Mr. Chairman, more than five years ago, in response to considerable public pressure for a rehabilitation program to meet the needs of disabled persons across the country, this government set up an advisory committee known as the national advisory committee on rehabilitation to study the whole question and bring in recommendations on which the government might hope to base a program. That was five years ago, Mr. Chairman. We have heard nothing, literally nothing, of any plans the government now has, after those five years, of introducing a rehabilitation program aimed at meeting the rehabilitation needs of disabled civilians in this country. It makes you believe that this was just another government committee, like the manpower committee and so many other committees that this government sets up when it is faced with a problem with which it has no intention of grappling. They simply make a big hurrah, set up a committee, and then completely forget about the whole issue. I would like to see some indication from the minister, if what I am saying is not correct, but there is no indication to the contrary so far, and it appears that the government intends simply to let the matter of rehabilitation die.

We have an order in council, known as the co-ordination of rehabilitation agreements order, under which the federal government is willing to share with the provinces in the co-ordination of rehabilitation services, provided that those services do not cost more than $15,000. Mr. Chairman, you cannot go very far in a program of this kind with $15,000. Therefore, that order in council will not get us very far.

Then, we have schedule R of the Canadian Vocational Training Co-ordination Act, which is administered by the Minister of Labour, and under which the federal government is willing to share equally with the provinces in a vocational training program. Useful though that is, it is only one small part of a rehabilitation program. So far there is no provision whatsoever for the federal government sharing with the provinces in the cost, first of all, of medical and surgical rehabilitation; second, the provision of artificial limbs; third, vocational guidance; and fourth, social services. Those are all very important components of a rehabilitation program.

One of the great weaknesses in this whole matter is that rehabilitation falls between two ministers, the Minister of National Health and Welfare and the Minister of Labour, with all the resultant confusion and lack of co-ordination that one would expect from such a dual responsibility. I do not think we will get anywhere in connection with rehabilitation until this matter is placed under one minister or the other, and until the government spells out what services are to be provided for, or purchased on behalf of, disabled persons and for which the federal government is willing to share the cost with the province. Until that is done, the provinces will simply not be able to know where they stand in regard to the division of cost with the federal government, and quite frankly, they are not prepared to go ahead on their own until they do find out.

There is no reason why rehabilitation services should not be provided in this country for disabled persons in exactly the same way as rehabilitation services have been provided for our veterans and as they have been provided in certain provinces for civilians who fall into certain definite categories. For instance, in the province of Ontario, excellent rehabilitation services are provided by the Ontario compensation board for accident victims, and the rehabilitation program provided by the Canadian National Institute for the Blind for blind people right across this country is well known to all.

What is the attitude of the United States government toward rehabilitation? It is both enthusiastic and progressive, and is at complete variance with the lackadaisical attitude which this government adopts toward this important problem. The United States government is engaged in a program to increase the number of disabled civilians who will be rehabilitated each year, from 60,000 last year to 200,000 in 1959. This is an imaginative, progressive and comprehensive program, which is at great variance wtih the attitude of this government toward this problem.

The United States government has found that rehabilitation pays off in dollars and cents. In addition to the greatly improved health, morale and usefulness of the disabled person, the United States government has calculated that during the lifetime of a rehabilitated person, $10 is returned to the federal treasury in income taxes for every $1 which the government pays out for rehabilitation services.

What is the situation in Canada today? So far rehabilitation services are provided only for special categories such as disabled veterans, industrial accident victims in certain provinces, the blind and paraplegics. A great majority of the disabled civilians in this country cannot obtain rehabilitation services.

In order to establish a comprehensive rehabilitation program for which all disabled civilians would be eligible as of right, financial participation by the federal and provincial governments and voluntary agencies would be required. Money properly administered for the purposes of rehabilitation is the one thing needed to initiate such a program.

I am advised by those who have studied this problem closely that what is needed is the introduction of a Canadian disabled persons rehabilitation act, which would provide money for the provincial governments and voluntary agencies on a shareable, grant-in-aid basis, for the purpose of establishing adequate rehabilitation programs in the provinces and subject only to necessary administrative safeguards. I believe all hon. members of this house would gladly join in approving such legislation because I believe everyone is convinced of the rightness of the principle that all disabled persons should have the opportunity to lead normal and useful lives, and that this right should be regarded as a fundamental right of citizenship. For that reason I urge strongly once again that this government bring forward such legislation at the earliest possible opportunity.

Mr. Philpott: Mr. Chairman, I have a rather sad but proud duty to perform on behalf of our late colleague, Dr. Jack MacDougall, the late member for Vancouver-Burrard. As many hon. members know, for some months before his death he was very much concerned with one problem and I had been in consultation with Dr. MacDougall, and with Mr. Tip O'Neill, the former member of parliament for Kamloops, about the matter which I am now going to raise. Jack MacDougall had told me that he intended to raise it at this time and I had promised to support him in his submission. The matter concerns a rather considerable number of superannuated employees of the Canadian Pacific Railway whose pensions have amounted to less than $60 per month. They are, of course, a minority of such superannuated employees.

I am sorry that I cannot give the exact number of such pensioners, but there is a goodly number all across Canada and their organizations, especially the Pacific coast C.P.R. pension association of 1953, had specifically requested the late Dr. MacDougall to raise this matter on the floor of the house at this time because they thought that by his so doing it would focus the attention of the Canadian public on this matter.

The crux of their grievance, which was embodied in a brief originally submitted in the year 1953, is that in January, 1953 the basis of the C.P.R. pension system was changed in two important respects; first, to increase the pensions the deductions from wages were raised from 1 per cent to 1½ per cent and, secondly, future pensions are to be calculated either on the last five years of service or the last ten years of service, whichever gives the best results to the pensioner. The basis of the complaint was that those who had retired before 1953 had no way to benefit on a par with those who retired later although their living expenses had gone up the same as those of everybody else. Therefore the Pacific coast C.P.R. pension association made the following three specific requests:

1. That the basic pension be not less than $75 per month to those under 70 years of age, and not less than $60 per month to those over 70.
2. That the so-called single life plan be made applicable to all—to apply to wives of men who retired prior to January 1, 1953, where their husbands at that time elected to take the single life plan; and
3. That all employees who had retired to January 1, 1953, be given the benefit of the 1½ per cent computed on their present pension.

After considering the matter and hearing the representations of the men the management of the Canadian Pacific granted quite substantial increases as from February 1 of the present year. While expressing deep satisfaction at these increases the Canadian

Pacific pioneers' pension committee made the following submission in a letter to the management of the company dated April 12, 1956:

Dear Sirs:

The pension committee, on behalf of those pensioners who retired prior to January 1, 1953, wish to express our appreciation and thanks for the revised changes in the pension rule, effective February 1, 1956.

These new rules will bring some relief to those specifically affected up to 70 years of age.

We find, according to statistics of ages of pensioners from the auditors' report, that the increase to $60 per month for those below 70 years of age, while of great benefit to those below that age, apply to few in number, which number is steadily decreasing, and would not seriously affect the solvency of the pension fund if continued after the age of 70 years.

Later in the letter, which is signed by Mr. A. S. Emms, chairman of the Canadian Pacific pioneers' pension committee, it is pointed out that the cost of living is still increasing and that many of the pensioners find it difficult to eke out a respectable existence.

I know that a narrow interpretation of our rules might hold that such matters should not be raised in this house on this vote. However, I would submit that the C.P.R. is an institution of which the whole of Canada is deservedly proud, and also, because of the existence of its great competitor, the C.N.R.—which is owned by the people of Canada—that any question concerning the equity of the pension fund of either or both railways is a matter of legitimate concern to every member of this house.

In any event, I feel it is a great honour to have the privilege of raising on the floor of this house a matter about which our late colleague, Dr. Jack MacDougall, had had so much correspondence with the railway pensioners.

On earlier occasions, I have had the privilege of supporting the hon. member for Winnipeg North Centre in his exhortations for justice for some of the C.N.R. pensioners—especially those former war veterans who are really in a pitiable condition, some of them drawing as little as $25 per month.

In this case I want to pay tribute to the C.P.R. for having made the limited improvements which they have made, but to urge with all my strength that they comply with the reasonable request of the C.P.R. Pioneer Pensioners' Association.

Mr. Blair: This matter of aid to university students has come before the house in the labour estimates today. However, during the last two or three months important organizations and institutions have been talking in the press about the need of training more students, especially in science, and the need for more engineers. I was rather surprised this morning when the hon. member for Cape Breton South said he felt that the universities were in the business of training scientific students for the sake of training them and that there was a profit motive in this matter. I was also surprised that the hon. member for Macleod spoke about depressions and the fact that it was not certain that we needed students trained in this country. When the hon. member for Hamilton West spoke about the matter of training university students, I am sure that she was talking about the shortage of these students in connection with planning for the future.

In so far as students are concerned, I have had some correspondence regarding the difficulties of science students in earning their own way through college. I am perfectly aware that the income tax as such must have some rigid lines and must apply, but in the case of students over 21 years of age I am going to submit part of the letter written to me by a boy concerning this matter. It is true that there is a $1,000 deductible clause. In one case the boy is over 21, and that is the time when they are in the third or fourth year of science, and he is putting himself through college. They are usually healthy young people at that time. He has no other deductions, such as for sickness; he is not making any charitable donations; and so it all rests on that $1,000 deduction. I know this boy's people. They are a very fine family and they have already educated three sons. They are contributing a great deal to this country. This boy puts it in this way:

Dad paid $70 income tax for me on that summer's earnings, which was equivalent to the government taking away 70 per cent of the $100 scholarship I received that year.

That boy won a $100 prize for efficiency in some of the scientific subjects in that year, which was his third year. He goes on:

The average year at Queen's (engineering) costs $1,200; therefore, in order to put himself through a student would have to earn $1,800 in the summer; of which $400 would go for board and lodging for the five summer months away from home; income tax would take $160; leaving him $1,240 for his university year.

I hope that the Minister of Labour will talk to the Minister of Finance about this matter and that something will be done. If these boys are going to try to put themselves through university, there should be some relief in so far as income tax is concerned. It seems rather hard that they should try to educate themselves and at the same time pay income tax when it would be only a small matter, in so far as the government is concerned, for a student earning his own way through college, particularly in the engineering subjects, to be relieved of the necessity

of paying income tax. It seems rather hard that they should pay income tax and then not have enough money for their university year.

This has been recognized before, and I am going to quote from a speech of one of the Liberal members in the provincial legislature concerning this matter. This was Mr. J. J. Wintermeyer, newly-elected Liberal member for Waterloo North. He considered this of such importance that he made it the subject of his maiden speech in the Ontario legislature. He said that Ontario and Canada are lagging far behind other countries in producing university graduates and that this loss would soon seriously cripple the provincial and national economy unless immediate steps were taken to remedy it. He said that the problem was difficult, but the rewards to be gained by having more skilled university students would give Canada a wealth that would not be estimated in dollars. He went on to point out that in England 70 per cent of all university students were receiving government financial aid of some type.

Further to the question of the criticism that was made this morning of the universities, I want to bring before the house the position of these students. Many of the universities a few months ago announced increases in the costs of the university course. I am referring to the costs of the course of the University of Toronto. These increases are the third that have been announced since the end of the 1950-51 academic year. The annual fee for a general arts course was then $242; it will now be $335. That is in the faculty of arts, but one must agree that the course in science is much more expensive, and that is what we are particularly dealing with today. Applied science and engineering fees have risen from $347 in 1951 to the new level of $500—at a time when the shortage of engineers is impairing our development in this country. It is hindering not only our development at home but also the Colombo plan projects abroad.

With regard to what the hon. member for Cape Breton South said concerning this subject, let me point out that, despite these increases, tuition fees have been providing an ever smaller proportion of total university expenses. In the current year, they make up only 26·7 per cent cent of the University of Toronto's revenue. Thus, scholarships, which merely cover tuition fees, are costing the university more and more all the time.

With your permission, sir, I wish to read into the record on this subject statements made by Mr. James S. Duncan, C.M.G. We all remember that series of articles that Mr. Duncan wrote when he came back from Russia. My repeating some of the statements of Mr. Duncan's does not mean that I approve of the present form of government in Russia in any way, but we are in competition, both in peace and in war, with that country—or in cold war—and Mr. Duncan says something in his report that deserves recognition. This is the twelfth article in the series and these articles were carried in newspapers throughout the country. I am certain that Mr. Duncan is a well known man who knows what he is talking about, and that the review he made of educational conditions in Russia, especially with regard to training scientists, can be accepted in this house by any person. In this article he points out:

> There are over 30 universities in Russia, and many hundreds of colleges and institutions of higher training, including technical and polytechnic institutes. Although it is difficult to obtain reliable figures, I am informed that Russia turned out nearly twice as many graduate engineers last year as the United States did, and that their engineering training is not only as good as ours, but when they have completed their five and a half year university course, they have put in 50 per cent more study hours than our students.

I shall go on and read some other extracts from this article regarding the aid that is given in that country to train students in science. Some of this is rather amazing. Mr. Duncan says:

> Each student receives a monthly allowance from the government which, when the merit bonus is added to it, is sufficient to cover his fees and living expenses. In the first year the student's allowance is 290 rubles ($72) per month and is just about enough to exist on. In the senior courses the allowance is increased to 500 rubles ($125) monthly.

I am only reading parts of Mr. Duncan's report. He says that all reading and textbooks are supplied free. Then he has this to say:

> Out of their allowance, the students pay 400 rubles ($100) per annum for their tuition, 30 rubles ($7.50) per month for their rooms—

Then he goes on to point out that they are served meals in the canteens at a very low rate. But this is the important thing so far as we are concerned. Mr. Duncan says:

> There is also a concerted drive in Russia to produce mathematicians, chemists, physicists and other scientists, and these are being turned out in rapidly increasing numbers.

I started by making an appeal for help to university students. Having in mind the small amount that it would cost the government, I ask the consideration of the Minister of Finance, and to the Minister of Labour may I say that he could use his good offices in bringing this matter before the Minister of Finance, so that university students who are trying to earn their own way will not be penalized by having to pay income tax and having to borrow money or have somebody

help them to pay their income tax in order that they can proceed with their university courses.

I leave this matter before the minister. I think there is something wrong when such a condition exists. Certainly we need more students in this country, and in spite of what has been said by the hon. member for Macleod with regard to the possibility of a depression, I still have faith in Canada, whatever the political complexion of the country may be. I think of a statement I made in the house two or three years ago when something like this came up. Political considerations might enter into this question but I think of a statement by an American, quite a philosopher, who, in dealing with the question whether a democratic or a republican government would do more for the United States, said, "This country is too big to be destroyed by any political party".

Canada will grow. We have natural resources and we do need engineers for the development of our country. Therefore I think every possible assistance should be given to these people in order that they may qualify and aid in the building of our country. That is all I wish to say on this matter. I again make the appeal that every assistance be offered to university students and that in cases where they are earning their own living it would be a small matter to relieve them of income tax.

There is one further question I want to bring before the Minister of Labour. It has to do with my own riding where a large industry moved away and left a lot of people unemployed. As a result skilled tradesmen, toolmakers, people of that type, men who had been employed in the industry for years, find it difficult to obtain another job. The situation has reached the point, and I think the Minister of Labour should take notice of it, that if a man is 40 years old or more it is practically impossible for him to get a job. Industries nowadays are looking for people who will fit into their pension plans. When a man who has been employed as a crane man applies for a similar job in another industry he is politely shuffled aside if he is 40 years old or more and is told that there is no place for him. If that were the situation, then there are many of us in the House of Commons who should not be here.

I maintain there is a place in industry for men from 40 to 65 years of age. From the point of view of experience alone they have a great deal to contribute. Put yourself in the position of a man 40, 45, 50, 55 or 60 going out and trying to obtain another job and being told very politely and nicely by the employment officer, "We have got nothing for you today." What is at the bottom of the whole problem is that industry does not want to employ men 40 years of age or more because they do not fit in with their pension plans or the so-called routine of the particular industry.

I think the Minister of Labour might well look into the matter, especially with regard to the industry to which I referred which was in a town in my own riding. There are a lot of very fine people there. Their unemployment insurance payments ran out on the first of May. They are qualified craftsmen but when they go to look for another position there is no place for them. Many of them are excellent citizens who own their own homes. If they sell their homes it is going to be the beginning of a drop in real estate prices. If they move to another area, an area where employment is easier to obtain, a booming area, they are going to pay a great deal more for their homes.

There they are in that position. Their unemployment insurance ran out on the first of May. The minister may say that other jobs are open. If a man 40 years or over is unemployed does it simply mean, so far as the unemployment insurance people are concerned, that he has to go and take a job as a road labourer or something like that? Other industries will not take him on, and so he is in a most difficult position. I feel sorry for these people. They are the best people in the world and yet they are in that position. Nothing is coming in. I repeat once more that their unemployment insurance ran out on the first of May and when they go to get another job they are too old because they are 40 or over.

I bring these two matters before the minister today, the question of consideration for university students and the matter of looking into the situation of people who are 40 years old or over. It may seem ridiculous when I say 40 years old but firms are not hiring them in spite of the fact that they are skilled tradesmen. In the situation they are in they need income at the present time and in view of the fact that they are unemployable and cannot get a job because of their age something should be done for them and every consideration should be given to their position.

Mr. Knowles: Mr. Chairman, first of all I should like to indicate my unqualified support of the plea made a few minutes ago by the member for Vancouver South. In doing so, I am registering the support which the late member for Vancouver-Burrard knew would be registered by a number of us when the time came that he would have made the plea that has been made in his stead today

by the hon. member for Vancouver South. Indeed, I am satisfied that there are other members, members in all parties in the house, who will support the plea that has been made in the hope that even yet the Canadian Pacific Railway will give favourable consideration to the points that have been drawn to the attention of that company by organizations representing their retired employees.

Since the member for Vancouver South has put most of the details on the record, it is not necessary for any of the rest of us to repeat those details, but may I just say that it seems to me that the most serious aspect of the matter, the point over which there is the deepest feeling of grievance, has to do with the cut-off date of January 1, 1953. As the hon. member for Vancouver South has already pointed out, both in his own remarks and by reading some of the correspondence, the new pension rules of the Canadian Pacific Railway came into effect on February 1, 1956. In so far as any greater contributions that have to be paid by those still working for the Canadian Pacific Railway are concerned, those greater contributions are effective only from that date, namely February 1, 1956. Yet it is a fact that any who were in the employ of the company after January 1, 1953, even though they may have retired prior to February 1, 1956, or if they retire now, get the benefit of the new rules. Those benefits are in the main two in number: on the one hand an increased pension for the worker himself, and on the other hand a greater pension for his widow if the retired worker dies first. The other side of the picture therefore is that with respect to employees whose retirement date was earlier than January 1, 1953, they do not get either of these benefits. They do not get a greater pension as of right nor is there the greater protection for the widow when the employee dies first.

My contacts with these people, like the contacts of my hon. friend across the way and the many contacts that the late Jack MacDougall had, I think will bear out this statement, namely that although these men are naturally concerned and disappointed in that they do not get the greater amount of pension to which they feel they are entitled, what worries them most is the realization that if they die first the position of their widows will be an extremely difficult one.

It has to be recognized that this is not a matter concerning which the parliament of Canada normally legislates and I suppose in a sense it might be said that it is not a matter upon which parliament would be expected to legislate. But it is true that there are relationhips between the government of Canada and a great corporation like the Canadian Pacific Railway, and I would feel that it is part of the responsibility of the government, in view of its desire to maintain good labour relations, to offer some good advice to the Canadian Pacific Railway in a matter of this kind. I also believe that if views on this subject are expressed by a number of members representing all parties in the house, the Canadian Pacific Railway might take our views into consideration.

To argue—as the railway does on an occasion such as this—that the matter is one of a contractual relationship, it seems to me does not meet the point; for the fact is that there are employees most of whose contributions were made previous to the change in the rules—in other words, when the contributions were at a lower rate—who nevertheless get the benefit of the higher pension both for the employee and for the widow. As I say, that applies to those who retired after January 1, 1953. There are instances of men retiring in December 1952 and in January 1953. The difference in the total amount of money paid into the pension fund by employees retiring in those two different months is practically nothing. Yet the difference in the pension earned by the employee can be $50 or $60 a month and the difference in the pension that would be paid to the widow can be of the order of $25 or $30 a month or more. As the hon. member for Vancouver South has indicated, there is a considerable file of correspondence, documents and memoranda on this subject. A number of us in the house have copies of it. From my study of it I feel that the C.P.R. has been most unfair towards employees who happened to retire just before January 1, 1953, and I hope that the company will reconsider that matter.

I say again that there are other jurisdictions that have increased the pensions of those already retired. I regret that is not true of the federal government with respect to its superannuated civil servants. I regret that it is not true with respect to the Canadian National Railways. But it is true in the case of at least three provincial governments in this country; it is true on the part of the government of the United Kingdom, on the part of the government of the United States and on the part of the governments of a number of states. I also know that there are some private corporations in Canada that have increased the pension not only of those still working for them who retire in the current period but of those who retired even in years gone by. I repeat another instance of which I have personal knowledge, namely that of the International Typographical Union to which I happen to belong which has been increasing its pension across the years.

In fact, the pension that is now paid to retired members of the union is twice what it was 10 years ago. May I emphasize the fact that persons who retired 10 or even 20 years ago, or at any time in the past, whose contributions into the fund were on the former lower rates, get the benefit of the increase in pension without having to pay any more into the fund. I regard a plan of that kind as human, fair and just and I see no reason why other jurisdictions or a company like the C.P.R. should not also be human, fair and just in its dealings with its former employees.

It is obvious that this is a matter on which any of us who are briefed could speak at some length; but perhaps it would be better if, instead of two or three speaking at length, a number expressed their support of the position that was to have been taken by the late hon. member for Vancouver-Burrard but which was expressed by the hon. member for Vancouver South, so that the Canadian Pacific Railway will know that as human beings, interested in decent human relations, we think the C.P.R. should take another look at this issue.

Mr. Chairman, I should now like to say a few words more directly to the Minister of Labour with regard to what I would consider to be the tremendous opportunity he has to play an important role in the future of this country. Because it is part of his task to listen to briefs and to peruse documents that are presented to him by labour organizations and because it is part of his task to keep in touch with what is going on in labour circles, he knows that in the main the requests which labour makes to parliament and to the government fall into two categories. On the one hand labour is constantly seeking legislation for the benefit of the community as a whole. In this category there are requests for national health insurance and for social security legislation such as adequate old age pensions, improvements in family allowances, improvements in unemployment insurance and so on. There are as well many other types of things that labour requests for the good of the community as a whole. In addition to that category, labour also requests of the government and of parliament legislation concerning procedures governing the relationships between management and labour. It is in this field that labour asks for revision of the national labour code. It is in this field that labour today is still asking for consideration to be given to any amendments that might be necessary to be made to the British North America Act in order to make possible uniform labour and social legislation across Canada. It is in this field that labour asks for such things as legislation governing hours of work per week, legislation governing minimum wages, vacations with pay, statutory holidays, equal pay for equal work for women and so on.

Now, Mr. Chairman, I said a moment ago that I would like to press upon the minister, if I could, the key position that I think he holds with respect to the future of this country. If he will consider for a while the philosophy that underlies these requests that labour makes, and also if he will consider the new era into which imperceptibly but in a very real sense society is moving, I think he will realize the key position he holds. The philosophy that underlies these requests is, I am sure, well known to the minister and to the house. It is that labour feels that the wealth that a nation like Canada produces, whether it be the more modest volume of wealth that was produced a generation or two ago; whether it be the $27 billion or $28 billion per year that is being produced now or whether it be the much greater volume that may be produced a decade or two hence, that wealth is made possible to a very large extent by the contribution made by the working people in this country in whatever calling, whatever category, their work may fall. It is the philosophy or the approach of labour, the workers in this country, that those who make possible the production of these great volumes of wealth, should enjoy its benefits.

It has indeed been the struggle of labour across the years to get the kind of legislation, the kind of relationships between management and labour, between both of those entities and the government, that will so order our economy that as great wealth is produced it will come, not just to the few, but to all of those who participate in its production. Hence, when labour asks for national health insurance on an all inclusive basis; when labour asks for old age pensions of $60 or $65 a month at age 65 without a means test; when labour asks for the 40-hour week or for a guaranteed minimum wage of a dollar an hour; when labour asks for vacations with pay or for statutory holidays with pay; when labour asks for unemployment insurance across the board rather than unemployment insurance part way and a form of relief for the rest, labour is asking not for some handout, not for a form of charity, not for the government to play the role of Santa Claus, but labour is asking rather for what it believes to be its right. It is asking for what it has earned and is asking for its share of the wealth that labour itself has produced. That is the basic philosophy which has been underneath the requests and the demands of labour from the earliest days when labour organized in this country or in other lands.

I suggest to the minister it is becoming a philosophy and an approach that is very important in the new era into which we are moving. Living as we are in the midst of days when automation is becoming a fact, living as we are at the beginning of an era which may see a tremendous increase in the available sources of energy because of the development of atomic power, we must realize how imperceptibly but nevertheless in what a real way we are moving into a new era.

I suggest that if in the past in order to hold society together, in order to make progress, in order to make it a human society, in order to make Canada a country that was important for human beings, it was desirable for labour to make these demands and win them step by step even through a process of struggle, that it becomes even more important in the years that lie ahead that this philosophy be accepted. The government boasts of the $27 billion or $28 billion of production which may be the result in Canada this year. If we move on into the era of automation, if we move on into an era in which atomic energy is added to the other sources of power we have with the result that we have greatly increased sources of power and energy, this $28 billion we are now capable of producing may some day look like a very low figure. What is going to happen if we do double or treble the amount we are producing at the present time unless we get established this basic principle that labour has fought for, namely that all this wealth that is produced should benefit, not just a few, not just those who control it, but everybody? We could find that the progress we are making could be our undoing.

Many of the things that are implied in what I am bringing to the attention of the Minister of Labour call for legislation that falls under the direction of other ministers than the Minister of Labour. But it seems to me he is the man who should be giving to the cabinet, to the government and to parliament, a vision of what could be done because of the new era into which we are moving. I call upon the Minister of Labour not to be the tool of the government in resisting those things that labour demands, a revision of the national labour code, amendments to the British North America Act to make possible uniform legislation regarding hours of work, minimum wages, and so on. I ask him not to be the tool of resistance against vacations with pay and to give us the usual line about it being a matter for collective bargaining, or to resist statutory holidays with pay or to resist other improvements affecting equal status of women and so on. Instead of resisting that kind of thing, I call upon him to recognize that right in this type of legislation may be the key as to whether or not these great resources that we are tapping, this great volume of production that is going to be ours in the years that lie ahead, will hang around our neck like a millstone or whether it will be the basis for an enlarged life for all the people in this country.

In the same vein I suggest it is part of the minister's job as Minister of Labour and as minister for labour, the man who should be speaking in the cabinet for the working people of this country whether they work in the factories, on the farms, in the offices, the fisheries, the mines or what have you, he should be speaking on their behalf to the other members of the cabinet and saying that this great wealth which this country is now capable of producing should result, not 35 or 50 years from now but right now, in improvements in our old age pension, in other social legislation and in the early enactment of national health insurance and other things of that kind to get back to the millions of Canadian people who produce this wealth, not a handout, not charity but that which is their right because it is labour, the working people on the farms, in the factories and offices of this country who make possible the production of this great wealth.

I say to the minister that it is not only an administrative job that he has in this important department. As others have said, he does a good job in administering the department. I suggest to him that his job is much more than that of an efficient administrator. His job should be that of a visionary, indeed I might even say a prophet. He should see what there is ahead. He should see what tremendous progress we can make if we will parallel with this era into which we are moving, the era of automation and atomic energy, the kind of legislation that will get the wealth that our people produce back to them in the form of a higher standard of living, social security, protection against ill health, old age and all these other things over which we have no control. I call upon the Minister of Labour to match the administrative job he is doing with the job of a visionary; I call upon him to urge the government to take some real, progressive steps in the direction of the kind of social legislation for which labour has been asking across the years, which labour has presented to the government very strongly, very forcibly, in the platform of principles, and the other resolutions and pronouncements that were made at the recent founding convention of the Canadian Labour Congress.

I think it is significant that just at this time, just at the beginning of this new era, when

I feel sure we are moving forward, we have this significant event of the founding of this new congress. It was a pleasure to see the minister there at least one day and the Prime Minister on another day. I hope they will read again the resolutions that were passed at that convention; that they will read the powerful speech that was made by president Claude Jodoin when the convention reached the point where the new congress had actually come into being. I call upon the government to pay more serious attention to the suggestions that have been made by that new congress which, I suggest, have underneath them a philosophy that is good for Canada, a philosophy which, if acted upon, can hold the promise of a much better day for all the people of this land.

Mr. Drew: Mr. Chairman, I wish to deal briefly with three specific points that have been discussed here in other years, and have actually been mentioned during the discussion that has already taken place since these estimates came before us. First of all is the fact that we have been urging now for several years that the government take the necessary steps to conduct the kind of inquiry that would result in a labour code for Canada that would be a source of pride to every one of us.

It is now more than 13 years since a general examination of our labour legislation took place. Those of us who had occasion to have some contact with the results of that inquiry will recall the very satisfactory results which flowed from the report of the commission headed by the Hon. C. P. McTague which reported in 1943. At that time we were in the midst of perhaps the most severe days of the second world war, and the results of that finding were brought into effect by an order in council which did in fact provide Canada with something in the nature of a labour code covering a very wide part of our labour legislation in this country.

I strongly urge the government to take the steps without delay which will start the work either of a commission or of a committee on which there will be representation of the government itself, of the organized workers of this country, of management and of all other interested parties. We have urged this continuously since 1950. I mention 1950 because it was in 1950 that we were all called back here, those of us who were members, to deal with the situation which had resulted from the strike affecting the railways at that time. We said then that what had occurred was an illustration of the inadequacy of our conciliation methods, and that the situation with which the workers of Canada and the people of Canada generally had been confronted emphasized the need for a full and complete inquiry which would give to us in Canada labour legislation of the most modern and most sensible type and which would be of advantage to the workers, to management and to the people of Canada generally. The things that have happened since that time have emphasized the need for such an inquiry. Only in the past few weeks have we been relieved of the concern which was shared by all Canadians, and certainly shared by the workers employed by the railways themselves just as much as anyone else, over the possibility of a repetition of the situation with which we were confronted in 1950.

As has already been pointed out by the hon. member for Hamilton West, it is not to be suggested that people who show the very highest degree of responsibility in their daily work, such as is shown by employees of the railways, would be any less responsible in dealing with the problems of labour relations, conciliation and the general activities of organized labour.

In the interests of our workers in all activities in Canada, in the interests of management and above all in the interest of Canadians generally, I urge the minister to recognize there are many reasons now why it will be more suitable than ever before that such an inquiry take place. All of us have expressed our admiration of the way in which the Canadian Labour Congress started on its new course under the guidance of a man who commands the confidence and respect of all Canadians, whatever their occupation may be. The speech of Mr. Claude Jodoin at the time that the new congress was formed was a model of responsibility and vision in regard to the part that organized labour plays in the life of our whole country.

Now, there is the great advantage of one large responsible body speaking on behalf of the greater part of organized labour. Part of the difficulties that might have been presented by the existence of two large congresses—and in fact, I should say three large congresses—is removed in some measure by the organization which has now taken form.

The minister has on different occasions suggested that we might expect some review of this kind. I think the time is now past for speculative suggestions as to when this may be done. I think we should have an unqualified assurance from the minister that he will seek the co-operation of the appropriate representatives of organized labour, of management and of other bodies who might be brought into this inquiry, and that either a commission or a committee with full powers to inquire and report be set up for the purpose

of considering the labour legislation of this country and recommending a labour code which will bring to organized labour, to management and to Canadians generally the advantage of the most up-to-date labour code in the world. We should not be satisfied with anything else in this country which is progressing so rapidly in every field of human endeavour.

I think one reason that we should hope this would take place is that we see the advantageous results which flowed from the last inquiry. At that time I had some measure of personal responsibility in regard to labour legislation in the province of Ontario as premier of that province. Just as soon as the new legislation, which was based upon the report of that inquiry, became law we adopted that same code and made it applicable in the province of Ontario. Later other provincial governments followed the same course and as a result we have uniform labour legislation in this country affecting a large percentage of the workers of Canada. I think if we had an inquiry which commanded the confidence of the workers, of management and of the people of Canada generally we might be well on the way toward a very extensive measure of uniform labour legislation in this country. Therefore I repeat my request to the minister that he give us assurance at this time, which we have now been seeking for so many years, that an inquiry of this nature will take place.

May I speak of another subject. This has been mentioned over and over again but it needs to be mentioned until something is done about it. This government set up a manpower committee to which it appointed representatives of various activities in this country. That committee should proceed with its work so that we may know exactly what is the situation across the whole of Canada in regard to the employment situation generally and to the need of various parts of Canada. This is not just a matter of knowing how we can use manpower, it is a case of knowing exactly where the manpower is and exactly what the situation is in regard to manpower in every part of Canada. For instance, we know that in spite of the demand for workers in many parts of Canada there are other parts of the country where there is a substantial measure of very severe unemployment.

This is the sort of thing which should be examined. With a thorough examination of that situation the government would be in a better position to exercise such influence as it is called upon to exercise from time to time in encouraging the growth of new industries in those areas where there is need of new opportunities for work and employment. I do not need to mention several places in this country where at this time it would be of great humane value and of great advantage to the Canadian economy generally if encouragement were given to the growth of certain types of industrial and other employment which would take up the slack which has resulted from the changing nature of some of our activities in this country. Therefore, I urge the Minister of Labour to revise the activities of this important committee and to permit and encourage it to carry out the duties which were assigned to it when it was set up a few years ago.

I want to deal with one other subject which has been mentioned in this house on different occasions, the subject of vacations with pay. I would hope that the government would take advantage of this opportunity to introduce legislation as a government measure just as it has done in other cases where the leadership has been given by the opposition. We now have before us legislation in regard to equal pay for women for equal work which is before us as a government measure directly as a result of the repeated efforts of the hon. member for Hamilton West. I would hope that we might also have for the same reason legislation brought before us as government legislation to provide vacations with pay for all those affected by the federal labour law.

Here again perhaps I may be forgiven if I speak from personal experience. It was under the government which I had the honour to head at that time in the province of Ontario that the first legislation in Canada was passed to provide statutory holidays with pay. I know how satisfactory it proved to be and I know from my own experience that not only was it of great advantage to the workers but that management also regarded the legislation as having very real and substantial advantages. Since it became a statutory obligation upon all employers to give a certain minimum number of holidays with pay there was no chance that one employer would find himself in a position of disadvantage because he followed the proper, just and humane course in providing holidays with pay on his own initiative. By the statutory provision all employers were encouraged to extend this very desirable provision, which is to the advantage of all Canadians.

The fact that workers get holidays with pay and in that way have the opportunity for recreation and the restoration of their health in itself is not only of great advantage to them and to their families, as is their just right, but it has proved to be of great advantage to the general morale of our industrial

workers who have benefited from the legislation. Therefore in view of the experience which has shown the beneficial results of legislation of this kind, and in view of the fact that we shall be sitting here for some considerable time, I hope the government will take advantage of the opportunity that is presented to introduce legislation of this nature during the present session and make applicable to the workers of Canada, at least during the latter part of the summer months of this year, the proper benefits that would flow from legislation of this nature.

Mr. Richardson: Mr. Chairman, I am sure that all hon. members have found the remarks which have been made today not only interesting but, I should think, instructive. I ask for but a few minutes of your time to deal with one subject which relates to the province of Quebec, one constituency of which I have the honour to represent. I was particularly interested in the remarks made this afternoon by the hon. member for York Centre in respect to university grants, and inasmuch as the constituency of St. Lawrence-St. George has within its boundaries one of the great universities of Canada I feel this is a matter which particularly concerns my riding and myself.

Constituting as we do a minority race or group in the province of Quebec, it is sometimes said that that province leans more to the classical side and the field of the humanities rather than to the technical or scientific sides of education. This afternoon I should like to say that at least in recent years that has not been quite the fact. I believe that in the province of Quebec we will be able now to find in the field which is perhaps incorrectly called labour—because we have moved in the last 40 or 50 years a long way from the time when the man who went out with a dinner pail was just a labouring man and we are all in some degree members of the labour group—men can now be found in the trades who are as skilled as in any other part of the Dominion of Canada, though it is true that they have retained to a very large degree the basic urge for study in the field of the humanities and classical education.

Therefore when the minister is prepared to answer questions, I would like him to corroborate the information, which I believe is true, that in the last 10 or 15 years the federal parliament has granted to the province of Quebec, as it has to other provinces in Canada, substantial sums of money in capital and bursary amounts in the field of technical and scientific training. I should like him, if he has the information handy, to tell us what those amounts were, say over the past 10 years, in what particular places in the province of Quebec they were allocated, and what use, so far as his department knows, has been made of those grants.

After all, the one person who must be served, whether we as members act in the federal field or in the provincial field or in the municipal arena, is essentially that same person, Mr. Taxpayer. When grants are made of this or that sum of money to this or that area of life, Mr. Taxpayer in the final analysis is the person who must pay the shot. I have been given to understand that substantial grants have been made to the province of Quebec and that use has been made of those grants over the past decade in this field of scientific and technical training. Therefore, when the minister replies, I should like him to put that information upon the record.

Mr. McLeod: I was indeed glad to hear the hon. member for Vancouver South mention the problem which had been the concern of the late member for Vancouver-Burrard. I have been one of those associated with this gentleman in discussing the problems of a small group of pensioners affected in the manner mentioned by the hon. member. I am going to say nothing more than that I am pleased the matter was mentioned and will lend my support to the hon. member at any future time he wishes to bring this before the house.

In speaking on the estimates before us, I wish to say that I was a member of the committee on estimates, and when the figures for this department were before us I was impressed by the sincerity of the minister and the various officials who appeared before us and with their deep conviction that something more than was being done at the present time would have to be done in training our labour force for the future.

First I should like to refer, as has already been done in this house this afternoon, to the provisions made for rehabilitation. This is one of the newer endeavours of the department. I understand it was inaugurated in 1953. Naturally progress is going to be slow, but I understand now that all the provinces of Canada are sharing in this scheme, contributing on a 50-50 basis toward the cost of educating and rehabilitating the handicapped and the aged. We all know that many employees affected by changes brought about by machines and the automation about which we hear so much have lost their jobs and have reached the years when it is difficult to find new employment. It is for these people that there is a growing demand for training at the present time. As regards the handicapped, we are beginning to find that men and women who a few short years ago we

thought could not be used in any manner in our labour force are now being trained so they can assume a fitting place in the circles of labour, provide a livelihood for themselves and contribute to the economy of Canada.

This has a twofold benefit. Many of these people, if it were not for this special training, would possibly be a charge against the welfare contributions of this country. So, by making them self-supporting, we are probably just taking a rather selfish view that it is cheaper and of more benefit to Canada to give them this training at the expense of the taxpayers than to have them continue on the welfare rolls.

Now we have this commission set up under our Department of Labour to provide this training. Each province that agrees to co-operate with the department must set up a committee, I believe, of three members to administer the affairs in that particular province. This committee consists of a co-ordinator, a representative of the department which provides the training, and a federal representative. In my own province of British Columbia this is handled by the Department of National Health and Welfare, and I know it is performing a wonderful service for those who need this special type of training.

All applications are referred to this committee, and they are carefully screened. The aim of the committee is to find the type of training which it thinks would be best suited to the applicant, depending of course on his degree or type of disability. As I say, it is proving very effective and producing very good results, but I sometimes think possibly the people of Canada and the people of various communities are not aware of just what is available to them under this branch of our service to the people. Possibly it would be of benefit if we were to give some publicity to it.

We have heard a great deal today about professional training. The hon. member for Lanark made a very good plea and put it before the house in a very plain and straightforward manner. I am in accord with what he said. I should just like to place on the record what is being done under the plans of our Department of Labour for assisting students to get this type of training. The province of British Columbia is also taking full advantage of the scheme, which was started some ten years ago and is steadily expanding. The last complete figures are for the year 1954, and in that year the following were assisted financially in British Columbia under the joint plan of financial assistance carried on by the province and the federal Department of Labour. There were 74 students in medicine, 14 in veterinary medicine, 58 in dentistry, 32 in pharmacy, 86 in applied science and engineering, 11 in arts and science, 174 in arts, 15 in law, 22 in teacher training, 9 in home economics, 8 in agriculture, 19 in commerce, 6 in forestry, 22 in nursing and 28 miscellaneous. This is a grand total of 517 who took advantage of the plan which is available in Canada for university training.

Looking over the total for Canada it is rather interesting to note that this is 25 per cent of the total who received training in that year. I think you will agree that the province of British Columbia and the people of British Columbia are taking full advantage of what is being offered to them. In addition to this professional training, there is much being done in promoting technical training, again under joint provincial and federal financing. Under this plan each province is given an outright grant of $10,000 for administrative expenses. During the last year for which figures are available $2,070,000 was allotted to the provinces on a per capita basis, and this per capita basis involves only the teen-agers from 15 to 19 years of age. A further sum of $10,304,950 was granted toward the cost of erecting technical schools and purchasing equipment.

So we see that the department has started along these lines; and while I would certainly agree with every member who has spoken today that there is room for much improvement and that much larger grants of money are necessary in order to give the people of Canada who wish to avail themselves of this training which is so necessary today the opportunity to do so, I believe that not even yet have we reached the point where we are taking full advantage of what is being offered. Of course until we reach that stage the government has the excuse, though it may be a poor one, that there is no use providing any more money until people are prepared to make use of it. In addition to the technical training there are also correspondence courses available, and there is also the scheme of apprenticeship training.

Today, as we approach the era of complete automation, we are certainly going to find that everyone who has not a skilled trade or profession of some kind will be absolutely at a loss in finding employment. Even today the old fashioned ditch digger has been replaced by the machine, and the idea of hand labour and unskilled labour is pretty much a thing of the past.

As has been said, we cannot force our young men and women to take advantage of these courses. However, I believe that we as members of parliament can do a lot if we will just have the problem before us at all times and, as we visit the various parts of our

ridings, give greater publicity to what is being done and what is available. At different times we may have the privilege of speaking to school classes or even service clubs, boards of trade and so on, and I am quite sure they would be glad to hear about what is available through the provincial and federal plans for better education for the people of Canada.

We know there are shortcomings in our training system, but these are being ironed out. I say with all sincerity that whenever any constructive criticism was put forward in the committee by any member I found that it got a good hearing, and we got a promise from the minister or the appropriate official that some action would be taken to rectify whatever was considered amiss. But I think if we co-operated a little more with the authorities, promoted publicity for all these schemes, and reached the stage where there were possibly more applicants than could be taken care of, we would then be in a strong position to come back to the government and say this has been started, it has proved satisfactory, but we must have more money.

I listened with interest to the hon. member for Broadview, and was rather pleased to hear his outline of what has been done in the United States. What has been done there is, of course, a target at which we may shoot. Finally, I say that the way to move any government to further action is by popular demand, and I am sure if our people make use of all the facilities offered and demand expansion, we can then get that expansion.

(*Translation*):

Mr. Leduc (Gatineau): Mr. Chairman, I wish to offer my congratulations and sincere thanks to the Minister of Labour (Mr. Gregg) on behalf of the bushworkers of the province of Quebec, for his humane and fair attitude with regard to unemployment insurance for those people.

On February 13, 1956, the Canadian International Paper advertised for bushworkers in every employment office in the province, offering $5.00 to $6.00 per 100 cu. ft. cord of pulpwood cut in its camps. These men, who were at that time receiving unemployment insurance benefits were advised of this offer made by the C.I.P., but the vast majority of them refused on the grounds that the amount offered per cord was inadequate. They declined to go and cut wood for $5.00 or $6.00 a cord. As a result, unemployment insurance officials suspended payment of benefits to these men. Those who were members of the U.C.C. then protested against this unfair decision. They asked their federal members to have this injustice corrected by the unemployment insurance commission. An impressive group of federal members from Quebec therefore met with the Minister of Labour to explain the situation and ask that this injustice be redressed.

After a thorough inquiry into the matter by senior officials of the unemployment insurance commission, the minister made a statement in the house on March 15, 1956, but I shall not take the time of the house to read that statement.

Following this statement the vast majority of bushworkers received their unemployment insurance benefits, and the C.I.P. remained without the extra hands needed to cut its wood. In order therefore to secure the necessary manpower on April 3, 1956 the company offered through the employment offices in the province of Quebec, $7.50 to $8.50 per 100 cu. ft. cord, i.e. an increase of $2.50 a cord.

Without the intervention of the bushworkers and of the federal members, the Quebec bushworkers would have had to cut wood at $5.00 and $6.00 a cord. It is obvious that the Canadian International Paper has once more attempted to take advantage of the bushworker by offering $5.00 and $6.00 a cord, knowing perfectly well that these prices were below the average price paid by other Quebec lumbering companies.

It is fortunate that there is a professional organization representing the farmers of Quebec and known as the Union Catholique des Cultivateurs, whose directors are men of intelligence and insight, imbued with a spirit of social justice. These are the true defenders of the rights and interests of the farmer and bushworker.

It is obvious that the Canadian International Paper is capable of paying and should pay higher wages to these bushworkers, as well as the highest prices for the pulpwood it buys from farmers or settlers, since according to the financial reports for recent years, its net profit is increasing yearly by approximately ten million dollars.

Unfortunately the Union Nationale government failed to show the same willingness or eagerness to meet the request of the members of the U.C.C. who, in their brief submitted to the hon. minister of lands and forests, on January 15 last, requested that the government set a floor price of at least $20 a cord for pulpwood bought from settlers and farmers.

In February 1955, Mr. Goulet, Liberal member for Témiscamingue in the Quebec legislature, urged the Union Nationale government to set a floor price of $20 per cord for pulpwood bought from settlers and farmers by lumber companies, but the Hon. Maurice Duplessis replied that his government could do nothing to improve the situation.

It is therefore obvious that the Union Nationale government not only fails to protect the interest of settlers and farmers but does join hands with some powerful corporations in taking advantage of workers and farmers.

Fortunately farmers today are better acquainted with such matters and they are determined to elect in Quebec a Liberal government which will know how to protect and defend their interests.

(*Text*):

Mr. Herridge: Mr. Chairman, this group believes in an appropriate scientific division of labour. Consequently I am not going to deal with a number of questions that will be dealt with by other members of this group. But before proceeding to the main purpose of my few remarks I want to express my support of the hon. member for Vancouver South and the hon. member for Winnipeg North Centre in their plea on behalf of a certain group of C.P.R. pensioners. I know that the late Dr. MacDougall intended to deal with this question quite fully. I wholeheartedly support the plea they made on behalf of this group of people this afternoon.

I have had the opportunity to discuss this matter at length on several occasions with Mr. "Tip" O'Neill and I must say that the pensioners are extremely fortunate in having a man as active and as capable on their behalf as is Mr. O'Neill. I have seen him riding a locomotive between Kamloops and Field for a good many years, and I know him quite well. I think he has done his very best on their behalf. I also had the opportunity to discuss the problem with a group of pensioners in Nelson and a group of pensioners in Revelstoke. I have also had the opportunity to read the brief and the correspondence supplied to me by Mr. O'Neill.

I think this group of pensioners have a very sound case. I hope that Mr. O'Neill's pleas, the pleas of others and the comments of members during this debate will move the company to the action that I think the case of these worthy people warrants.

When I was dealing in another debate with the question of the recruitment of labour in Europe to work in the mines in Canada, in reply to certain questions I had raised with respect to Mr. Ramsay's trip to Europe, the minister, as reported at page 4993 of *Hansard*, said this:

> The purpose of his trip was primarily to secure workers for the base metal mines.

I am quite sure the minister gave the house the information he had at the time, but I am under the impression that the minister has been misinformed. I should like to direct his attention to an article that appeared on the financial page of the Toronto *Daily Star* of March 5, 6 or 7 last. I am not quite sure of the exact date owing to a certain amount of disorganization in my office caused by the pipe-line debate. Anyway, in that article I found that the president of the Canadian metal mining association stated that these people were being recruited in Europe primarily for the gold mines, and that representations were being made to recruit these people in Europe to work in those mines particularly. I just draw that statement to the minister's attention because I am quite confident that he has not been correctly informed up to date.

In the few minutes in which I wish to deal with this question I want to place a few figures on record. I want to give a few figures with respect to wage rates in base metal mines and in gold mines. As to base metal mines, I know that in the Kootenay area our base metal miners get something over $2 an hour. In Sudbury they get $1.96. In Steep Rock—that is iron ore—they get $2.20 an hour. In Cobalt they get $1.51. As to the gold mines, I find as follows. I have figures for only Timmins and Kirkland Lake. At Timmins they get $1.32 an hour. At Kirkland Lake mines, I am informed, the miners get $1.29 an hour. These are the wage rates in the base metal mines and in the gold mines.

I should now like to direct the minister's attention to a news item that appeared in the Ottawa *Journal* of June 14. It is a Canadian Press dispatch from London. The heading is "Canada Recruits Miners Overseas" and it reads as follows:

> William Ramsay, personnel manager of the Canadian metal mining association, left today on a 10-day tour of Denmark, Sweden and Finland to recruit hard-rock miners for Canada.
>
> He has been holding meetings in Britain in recent weeks, interviewing applicants who want to emigrate to Canada to work underground mining gold, silver, uranium and copper in most Canadian provinces from Ontario to the west coast.
>
> "Altogether, 1,206 men have expressed interest in the idea", said Ramsay. "They still have to pass a medical examination, and some, I expect, will drop out."
>
> Most of the meetings were arranged through the Canadian immigration service in Britain.

Ramsay, on loan to the mining association from his national employment service job at Kirkland Lake, Ontario, wants husky men between 19 and 35 years of age. He has had pamphlets printed in several languages offering wages—

This is in the mining industry, as miners.

—from a minimum of $1.05 to $1.53 an hour. Some jobs offer an additional production bonus.

"Wages are the same as paid in the locality in which you are working", the pamphlet says.

Now, Mr. Chairman, if that statement is correct and the men are being recruited for work in the mines of Canada at $1.05 per hour, they are being brought to this country under false pretences. They are being offered wages below even the lowest wages paid in the gold mines at the present time. I find that in the Kirkland Lake area out of eight mines, indicating the situation in gold mines as against base metal mines, only one mine is organized in a really effective fashion. There are two that have some form of association which the miners' unions term company unions and three have a recognized union but it is in a very weak condition. There are two that have no union organizations of any kind. I understand that situation prevails in the gold mining industry because many workers are apparently of the opinion that owing to present conditions in that industry they will have little opportunity of improving their working conditions or their wages by supporting a union.

In addition to that, the Minister of Mines and Technical Surveys, when answering a question I had asked during the debate on emergency gold mining assistance, stated that over a period of 10 years there were only 2,889 persons who had been recruited from abroad to work in the mining industry in Canada. I am quite sure the minister gave me what are technically the correct figures. However, the minister's figures do not tell the whole story. I know from personal experience and from complaints raised by miners in my own constituency that many of these people come to Canada under some other pretext. I know that some come to Canada who are supposed to work on a farm for two years, but it is very natural and very human that when they find the high rate of wages being paid in the mining industry they leave the poor farmer in the lurch. You find them in the mines within six months. We have had a good many cases of that sort. A good many of the people who have come over from Europe, supposedly to work at other employment, have entered the mining industry in the period mentioned by the minister. I do not think his figures represent a true picture in any sense of the word.

I am told by leaders of unions in the mining industry, that is types of leaders who are recognized by labour as qualified and proper trade unionists, that there is no shortage of miners in the base metal mining industry. I have had that statement made very definitely. They all admit a shortage of miners in the gold mining industry, which I can well understand. It is the result of the basic wage rate as compared to base metal mining, and the result of the working conditions and so on. I have received a good number of complaints from the miners working in my constituency who say that these immigrants who are brought to Canada, as they will be possibly under false pretences in many cases and without a firm knowledge of the mining industry, are a hazard to the miners concerned for two reasons. I have had them tell me that men should not be in the mine who cannot speak the English language sufficiently to be understood by other men.

The second reason is their lack of experience. I know of one case in my own district where miners who have been working in the industry for a good many years had some trouble with the management and refused to go into the mine until some men were removed from the labour force. It was not that they had anything against those men personally. I do not blame these people for trying to improve their conditions. In this case the men did not speak the language and were not able to understand instructions with regard to explosives. They certainly lacked experience as far as hard-rock mining was concerned.

If I remember correctly the Minister of Mines and Technical Surveys also said that five gold mines closed last year. I wonder if the Minister of Labour could assure the house that those men who lost employment because of the closing of those mines will find employment in other mines. I am particularly thinking of those who are over age and are not normally employed because of pension plans and things of that sort.

Now, Mr. Chairman, I have briefly dealt with this question again because I think it is one that demands a thorough investigation by the minister to get the facts. While we in this group believe that Canada requires immigrants, we believe in planned immigration. We do not believe in immigration that displaces long-time Canadian workers and Canadian citizens. Let the immigration that is carried on be conducted on a different basis from that on which, according to the news item, information is given to these people who are being recruited in Europe. I do hope the minister gives this matter very close consideration and makes certain the conditions complained of by the miners do not continue to exist.

Mr. Gregg: I wonder if any other hon. member who is thinking of speaking this afternoon would forgive me if I took advantage of the time between now and five o'clock to answer some of the questions, because it may be some few days before my estimates are considered again. I should like to make some comments on some of the things that have been said today.

First of all the hon. member for Hamilton West, as well as other members, gave wholehearted support to our research plans so that we may be in a position to have more knowledge of our professional and technical working force. She referred to the United Kingdom plan with which I had made myself familiar and which I admire very much. Of course she would be the first to agree that you can do things under a unitary system such as the United Kingdom has in this field of education that we cannot do here. I do hate to hark back, but I must say that this whole field of training and education is within the provincial jurisdiction. Having pointed that out, however, I do agree with practically all that has been said, that it is the duty of the government and the duty of the Minister of Labour and his agencies to do everything in their power to forward the effort.

The hon. member for Hamilton West stressed the importance of the decentralization of authority in those agencies coming under the Minister of Labour in order that they may be prepared for an emergency.

Mrs. Fairclough: But only in time of emergency.

Mr. Gregg: I agree with her up to a certain point. I do agree that a maximum of advance planning for emergency should be done and that it should encompass those agencies. It should, of course, be co-ordinated with all the other departments of government concerned. This is being done and will continue to be done and kept up to date. On the other hand, I cannot agree with her that agencies such as the unemployment insurance commission and the national employment service, in a time of peace such as we now have, should be on a semi-mobilized basis, whereby a Canadian worker who takes advantage of that service may have the feeling that he may be subject to certain compulsions—

Mrs. Fairclough: If the minister will permit, I had no such thought in mind. It was merely a matter of making the facilities of the office and its officers available in an emergency, without having regard for the authority which they might not be able to contact. It had nothing to do with any time except a period of emergency.

Mr. Gregg: If these officials were to be available in such emergencies it would have to be after the appropriate legislation for that emergency had been passed by parliament. I can assure my hon. friend that, so far as the planning stage is concerned, that has received attention.

The Leader of the Opposition, the hon. member for Hamilton West and the hon. member for Winnipeg North Centre referred to the importance of the revision of the labour code. I have a notion, however, that the revision or the plan leading toward a revision suggested by the Leader of the Opposition and the hon. member for Hamilton West might be somewhat different from that envisaged by the hon. member for Winnipeg North Centre.

I believe it is important for us to keep the Industrial Relations and Disputes Investigation Act up to date. I do not believe it has all the disadvantages that have been suggested to us today. In saying that I do not want to appear smug or to indicate that we are not giving it a great deal of thought and study. We have been doing that, and I stated in this house last year, when the railway unions were considering the matter of what should be done in their field, that we would be glad to co-operate with them in studying plans for the future. As we stand now, we shall continue to keep this matter under consideration and, when the appropriate time comes, to take action on it.

I agree with the hon. member for Hamilton West that we cannot take approximately 1⅓ million union members lightly. In these postwar years they have displayed evidences of responsibility in their attitude toward conciliation procedure, toward disputes and toward the whole community, which is something that augurs well for the future of labour unionism in Canada in the new larger combined congress.

The hon. member for Cape Breton South said some good things about winter employment and trying to level off the ups and downs of seasonal variation. We did make some good progress last winter. I am not saying that all the improvement was due to the plans that were carried out by a great many people to improve seasonal employment. A good deal of it was due to the fact that there was more work available; but the high peak of unemployment that cropped up in the middle of last winter was not nearly as high as it has been in previous years. As far as my department and the unemployment insurance commission are concerned, they are going to co-operate even more aggressively against unemployment next winter.

My hon. friend said—I took down his words —"that the shortage of scientists was greatly overworked". Some other hon. members took exception to that. He may be interested to learn that yesterday or the day before the president of the Du Pont Company of Canada, speaking in Montreal, said almost the same thing. He said, "Grossly overemphasized". That may be so in his particular industry. However, I do not think we can overlook the fact that we do need more professional and skilled personnel, because it is not only the requirements of the industries that are well established and well on the way that we have to think of. We ought to have more of that kind of people to help initiate new industries and new efforts.

On the subject of the movement of workers, the hon. member for Cape Breton South said we were discriminating; that there was a difference, for instance, between the treatment those workers from Cape Breton who are going out to help in the woods industry in British Columbia and the workers who are coming in under the Department of Citizenship and Immigration. There is not as much difference as he indicated. The arrangement with those going west was that we, the Department of Labour, should pay their expenses out or issue them with warrants and in due course the company should refund all the money to the government. The arrangement with the Department of Citizenship and Immigration is much the same, in that they pay the expenses and the new Canadian repays the money.

He spoke of the controversy between those who sponsor the trade school and those who favour the vocational high school. I think we could discuss that for quite a long time, probably with a good deal of usefulness. Certainly in his opinion the mature worker going to a trade school with nothing else on his or her mind than learning a skill is more effective than a teen-ager high school student between grades 10 and 11 who takes a course at the high school and goes down to the basement and learns some manual skills on the machines and on the lathes. The theory there is, of course, that these young people, having obtained a smattering of some skill, when they go out to work and do not go on to university, are better able to enter into the production force of the country. I want to thank him for his kind words regarding the women's bureau and its director. As a matter of fact she happened to be in the gallery at the time he spoke, and I was glad she was able to hear him.

The hon. member for Macleod referred to teamwork in industry and the importance of encouraging it. I thoroughly agree with him, but I was rather surprised at his pessimism this morning. A member coming from that very rich province of Alberta, he used the word "depression" many times and he used such expressions as "dog eat dog" in industry. In my short period as Minister of Labour since 1950 I have not observed very much of dog eating dog. I believe that during the years since the war there has developed a very high level of responsibility on the part of those who are bargaining and arranging the settlement of disputes, and it is a responsibility not only to those whom they directly represent but to the community as a whole.

The hon. member for York Centre also referred to student aid and the importance of money for training. He said that he was more in favour of providing money for the training of young people in industrial skills than for military training of the old-fashioned type. In that I heartily agree with him.

The hon. member for Broadview criticized the rehabilitation program under the co-ordination arrangements with the provinces, with various departments of government and with the voluntary agencies. He referred to the fact that in the United States last year, through their program which is a great one —I will grant that—they had been able to place some 200,000 handicapped persons in employment. That is a great achievement. In Canada last year we were able to place some 19,773 handicapped persons in industry. We usually multiply our population by 10 and get something approaching the population of the United States. We have had those who were unable to work and could not be placed. Last year over 1,000 were rehabilitated. The first 472 cases originated in the provinces of Alberta, Manitoba, New Brunswick, Newfoundland and Nova Scotia. These 472 cases and the 228 dependents had been maintained by their families in institutions or by public assistance at an annual cost of some $203,000. In their first year of employment they earned collectively almost $1 million. I admit immediately that the plan under way is a co-operative one that must move reasonably slowly; but in conjunction with my colleague the Minister of National Health and Welfare I can report to the committee that good progress is being made.

The hon. member for Vancouver South, the hon. member for Winnipeg North Centre and the hon. member for Kootenay West referred to the unfilled mission of our late friend Jack MacDougall. Jack MacDougall, along with Mr. O'Neill who was here some weeks ago representing the superannuated C.P.R. employees, was constant in his efforts to have something done for these men, as were we all. I think most hon. members

know that at that time it was possible for Mr. O'Neill to go to Montreal to see the top echelon of the Canadian Pacific management. I know he made a great impression upon them but unfortunately the success he hoped for was not achieved. I pledge to those who have spoken any assistance I can give to achieve the objectives they have in mind.

The hon. member for Lanark again brought forward the matter of taxation on scholarships. I agree with what he said and I shall discuss this matter with my colleague the Minister of Finance. He spoke also on behalf of older workers between 45 and 65 years of age. We are doing something there. It is not perfect or spectacular, but good solid progress is being made.

I was inspired by the remarks of the hon. member for Winnipeg North Centre, who made me feel the importance of my role. As he pointed out, it is a great thing to be Minister of Labour for Canada, and I agree heartily that it is a great privilege to serve Canada in this capacity even for a short time. While the speed may not be as fast as he would want it to be, in the past we have made some real progress in carrying out the desires of organized labour and the thoughtful recommendations which they have made at their conventions. I listened to what was said in Toronto and at the C.L.C. convention and I read carefully the speeches and the resolutions. Then each year the government meets with the executive bodies of the labour organizations—this year it will be three instead of four—when we are given details of the projects which they consider to be of utmost importance. In recent years quite a large proportion of those that have been stressed have been carried into effect. I have noted the other points made by the hon. member.

The Leader of the Opposition referred to the importance of reviewing the labour code. I dealt with this when I was replying to the hon. member for Hamilton West. Reference was made also to the national advisory council on manpower. That body was appointed in 1950 at the approach of the emergency in Korea, and it did most useful work in the years following. I outlined that work in the statement I made earlier. The council is still in being and it is my intention to utilize it when we are in possession of more statistics and facts.

Mr. Diefenbaker: Did the council suggest at any time that there should be a national registration in order to have available the necessary information to ensure that manpower would be available in whatever requirements were necessary?

Mr. Gregg: No.

Mrs. Fairclough: Can the minister tell us when the council last met?

Mr. Gregg: It was about a year and a half ago. The hon. member for St. Lawrence-St. George asked for details with regard to grants and whether any had been made in the province of Quebec under the vocational training plan. The answer is yes. The hon. member asked for the amounts, and I may tell him that the cumulative amount to date spent in Quebec under the vocational training plan is $12,433,000. Included in that amount is $1,041,000 for students' aid to universities, and included also is $3,139,400 for capital expenditures for buildings and equipment. There is quite a large item included in that last figure made necessary by the rebuilding of the technical school in Rimouski. I might say also that in the administration of these moneys there has always been the most cordial relations between my officials and those of the province of Quebec.

The hon. member for Okanagan-Revelstoke suggested that the aid to students provided by the department should be made better known. I think all provinces know about it. I believe I should state here that in the main those who administer the fund in the various provinces are inclined to look upon it as assistance for students after they have entered university rather than as assistance for high school students in order to permit them to enter university. In other words, they administer it prudently for worthy and capable students, normally after their first year, in order that they may complete their courses.

I was glad to hear from the hon. member for Gatineau about the improvement in the condition of the bush workers in his riding.

The hon. member for Kootenay West referred to the statement I made with regard to Mr. Ramsay's mission to England. I gave him what information I had received about that situation when he raised the matter the other day. I am now informed that Mr. Ramsay was turned over to the mining association for no specific kind of recruiting. There was no stipulation as to the kind of recruitment that was to be made or the wages that were to be offered. Consequently the hon. member is correct in stating that I was in error the other day in that portion of my statement. May I say to him that I shall be glad to confer with the Minister of Mines and Technical Surveys along the lines he has suggested, because I feel that when an industry is being subsidized by the people of Canada consideration should be given to see to it that workers are not asked to work for

depressed wages, particularly when they are brought into the country for that purpose.

Progress reported.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): There are a number of private bills on the order paper for consideration in committee of the whole. Is it agreed that they be all referred to the committee of the whole, under standing order 54 (1), in one motion?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 353, to incorporate the Albion Insurance Company of Canada.—Mr. Macnaughton.

DIVORCE BILLS

The Deputy Chairman: There are a number of divorce bills for the committee. Is it agreed that they be considered as one?

Mr. Knowles: I wonder whether you would exclude the first one, as one of my colleagues wishes to say something about it. As far as I know, the others can be dealt with in a group after the first one has been considered.

JEAN BENOIT MAILLE

The house in committee on Bill No. 217, for the relief of Jean Benoit Maille—Mr. Henderson—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

Mr. Herridge: I wish to bring to the attention of the house something, according to information given to me, of a very unusual nature that occurred during the sitting of the committee on miscellaneous private bills last Tuesday evening. I am reliably informed that a Mr. J. J. Penverne, Q.C., of Montreal, who appeared for the respondent, admitted to the committee obtaining in an irregular manner four blank forms that would normally be sent out under the signature of the Speaker of the Senate to obtain the attendance of witnesses.

I am informed that in sending out these forms this queen's counsel changed the documents, which were headed "Senate of Canada", to read "House of Commons", and then admitted to the members of the committee present to forging the signature of Mr. Rufin Arsenault, chief clerk of committees of the House of Commons.

I am informed that the explanation given by the learned counsel to the committee on miscellaneous private bills, on being questioned, was that this was the only way to obtain the attendance of witnesses before the house, because the house had no provision, unlike the Senate, to compel the attendance of witnesses.

I think that is a very serious situation when a queen's counsel admits to forging the signature of the chief committee clerk of the House of Commons on documents calling for witnesses.

Mr. Simmons: May I interrupt the hon. member? I was on that committee and I do not remember seeing that the signature of Mr. Arsenault was forged. It was typewritten on the document.

Mr. Herridge: I am just dealing with the information given to me.

Some hon. Members: The information is wrong. Check your sources.

Mr. Herridge: I have raised this question because, if that is correct, it is in my opinion a very serious matter indeed. I think this bill should be referred back to the committee for an explanation by the chairman of the committee as to what actually happened before the committee.

Mr. Harris: Mr. Chairman, if I may be permitted to say so, the chairman of the committee concerned is not present. Whilst I know there are hon. members here who were present at the hearings, and who could probably clear up the difficulty that may exist at the moment, I doubt whether the result would be anything more than perhaps to convince my hon. friend that his information is not wholly right. I think it would be better if we left the bill until the chairman of the committee could discuss it with the hon. member, and therefore I think hon. members would agree with me that we ought to adjourn the debate.

Mr. Herridge: Yes, Mr. Chairman, but before the debate is adjourned could I ask the minister one question? The hon. member for Yukon said the signature was typed. If the gentleman in question admitted typing the signature of the chief clerk of committees of this house and sending out a form that should come from him, I think that is an admission of a most irregular procedure. I move the adjournment of the debate.

Mr. Harris: I quite agree.

Mr. Wylie: Before the adjournment is considered, may I say that I happen to be a member of that committee, and the hon. member for Yukon is another member; the hon. member for Victoria (B.C.) was there and perhaps two or three others. This question was dealt with by our committee. Despite the fact that our chairman is not here today, I think what has been said throws rather a

reflection on our committee. I think it should be dealt with today. I must admit that the name of Mr. Arsenault was not written, it was typed by this lawyer's secretary, and I think we should dispose of this now. It was given a good deal of consideration by the committee. As a matter of fact we had two sittings, and we sat until ten o'clock one evening. I feel it has been given all the consideration that should be given.

Mr. Harris: May I speak a second time?

Mr. Knowles: We are in committee; speak as often as you like.

Mr. Harris: I realize that, but I had forgotten for the moment. As a matter of fact the chairman of the committee spoke to me yesterday, though not about this particular point. He said that as far as he knew this bill would not be contested when it came into the committee of the whole but that if it were would I ask for an adjournment on any point contested, because he would like to speak to it. I do not know whether he had this in mind, but I hope members will allow the matter to be adjourned now so we may proceed to the other bills.

Mr. Knowles: I think the proper motion is for further consideration to be postponed, as was moved by the Minister of Trade and Commerce on another occasion.

Mr. Howe (Port Arthur): I disagree.

The Deputy Chairman: May I submit that if it is the wish of the committee of the whole, the chairman should be instructed to report progress on this bill and ask for leave to sit again.

Some hon. Members: Agreed.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 380, for the relief of Michael Costom.—Mr. Henderson.

Bill No. 395, for the relief of Marie Theresa Gerega St-Jacques.—Mr. Henderson.

Bill No. 396, for the relief of Julius Michael Cantor.—Mr. Henderson.

Bill No. 397, for the relief of Gerald Zelman.—Mr. Henderson.

Bill No. 398, for the relief of Lucille Viola Arthur Ward.—Mr. Henderson.

Bill No. 399, for the relief of May O'Connor Mackenzie.—Mr. Henderson.

Bill No. 400, for the relief of Rita Cleevely Scott.—Mr. Henderson.

Bill No. 401, for the relief of Leah Banfield Rideout.—Mr. Henderson.

Bill No. 402, for the relief of Margaret Isobel Gillespie Mackenzie.—Mr. Henderson.

Bill No. 403, for the relief of Edda Roehm Sackmann.—Mr. Henderson.

Bill No. 404, for the relief of Joseph Ernest Adrien Joly.—Mr. Henderson.

Bill No. 405, for the relief of Jacqueline Bussiere Sirois.—Mr. Henderson.

Bill No. 406, for the relief of Doris Elaine Cameron Gladwish.—Mr. Henderson.

Bill No. 407, for the relief of Myra Goodman Lobell.—Mr. Henderson.

Bill No. 408, for the relief of Jennie Zaleznіak Wiseman.—Mr. Henderson.

Bill No. 409, for the relief of Phyllis Elizabeth Jardine Williams.—Mr. Henderson.

Bill No. 410, for the relief of Martha Hope MacDougall Fortier.—Mr. Henderson.

Bill No. 411, for the relief of Hugh Oliver Semper.—Mr. Henderson.

Bill No. 412, for the relief of Yvonne Elizabeth Thurgarland Brosseau.—Mr. Henderson.

Bill No. 413, for the relief of Hugh Lawrence Byers.—Mr. Henderson.

The Acting Speaker (Mr. Applewhaite): There are several divorce bills on the order paper for second reading. Is it the pleasure of the house to take them in one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 419, for the relief of Elizabeth Redling Lefebvre.—Mr. Henderson.

Bill No. 420, for the relief of Marie Cecile Veronique Goudreau Johnstone, otherwise known as Lucille Goudreau Johnstone.—Mr. Henderson.

Bill No. 421, for the relief of Claire Esther Cohen Weiner.—Mr. Henderson.

Bill No. 422, for the relief of Vera Norine Tromley Ashford.—Mr. Henderson.

Bill No. 423, for the relief of Jacques Demers.—Mr. Henderson.

Bill No. 424, for the relief of Virginia Ruth Jones Lord.—Mr. Henderson.

Bill No. 425, for the relief of Harold Barnes.—Mr. Henderson.

Bill No. 426, for the relief of Geraldine Isabella Johnson Mole.—Mr. Henderson.

Bill No. 427, for the relief of Adam Forbes.—Mr. Henderson.

Bill No. 428, for the relief of Rose-Anna Rose Crombie.—Mr. Henderson.

Bill No. 429, for the relief of Esther Pheobe Brunger Abels.—Mr. Henderson.

Bill No. 430, for the relief of Lorna Elizabeth Cadorette Belinsky.—Mr. Henderson.

Bill No. 431, for the relief of Benjamin Franklin Luther.—Mr. Henderson.

Bill No. 432, for the relief of Gordon Frederick Collins.—Mr. Henderson.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL HOLIDAYS WITH PAY FOR EMPLOYEES

The house resumed, from Friday, May 11, consideration of the motion of Mr. Knowles for the second reading of Bill No. 211, to provide for annual holidays with pay for employees.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I think the sponsor of the bill would like to move it forward, and on May 11, when this bill was last discussed in the house, I had just about completed my remarks at six o'clock. However, I find that just before I stopped talking I made a statement which was wrong and which I should like to correct now. At that time I was making a summary of the various provincial laws related to vacations with pay. I had said that two weeks' vacation with pay after one year of employment is a standard at the present time in effect in only one province. When I said that the hon. member for Winnipeg North Centre asked, "Which one", and in reply I said in error, "British Columbia."

The fact is that such a law has been in force in Saskatchewan for several years. In British Columbia a similar law had been passed but had not been proclaimed at that time, and I believe it will not be proclaimed until two weeks from now, on the 1st of July.

In my remarks at that time I made the point that I felt that within the highly organized industries which come under federal jurisdiction this matter should be left, as my hon. friend said this afternoon in that namby-pamby fashion, to collective bargaining procedures.

Mr. Knowles: I said I did not like to see the minister used as a tool of resistance against progressive legislation.

Mr. Gregg: I think there is something to be said in this respect. Because of the influence which does attach to federal legislation extending across the country, if we accept two weeks as the proper minimum standard our action may be regarded as pressure on some provinces to provide the same standard whether or not this is a standard which, in the light of their own experience and circumstances, is warranted. The Leader of the Opposition indicated this afternoon that when the Industrial Relations and Disputes Investigation Act was passed by parliament it was immediately copied or followed in the province of Ontario.

[The Acting Speaker (Mr. Applewhaite).]

If, on the other hand, we were to decide that one week after one year of employment is the proper minimum standard, this might be regarded as placing a brake on an upward revision in provinces which may consider it expedient to provide for some increase over one week. We have been influenced in our own thinking up to this point by the fact that without legislation in the federal field, more favourable vacation with pay plans are being adopted year by year, by the fact that the trend toward annual paid vacations has developed in the United States without either state or federal legislation, and by the experience in the United Kingdom where legislation providing for paid vacations is confined to certain industries subject to the wages councils act which are, generally speaking, the industries in which the workers are to a large extent unorganized and which have no counterpart in our federal field.

I should like to call to the attention of hon. members the schedules which you, sir, permitted me to include in my remarks on May 11. Those figures indicate that workers in the federal field are making pretty rapid progress in getting vacations with pay, which is the object of the bill.

In view of the considerations I have mentioned, I am not prepared to support the bill at this time.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have been looking at the debate that occurred on May 11 on this subject. I find that on that occasion the sponsor of the bill introduced it, the hon. member for Hamilton West (Mrs. Fairclough) and the Minister of Labour (Mr. Gregg) spoke, and the debate has not been resumed until now. The general principle of the bill is one that I should like to support, as was done by the member for Hamilton West. If we get, as we should, into the committee stage on this bill we can examine the details carefully and see what changes might be considered necessary, but at this stage of the debate the actual sections of the bill have to be left to one side.

I noticed that in his speech on this subject on May 11 the minister dealt with the problem of legislation and collective bargaining. In other words, he suggested and repeated today that matters such as vacations with pay might better be left to collective bargaining than be introduced by way of legislation. That is a standard argument when measures such as this are brought forward, and there is room for disagreement as to how much should be left to collective bargaining and how much should be enacted by parliament.

However, in this particular instance the idea of vacations with pay has become an

accepted condition of life fairly well across Canada. The hon. member for Winnipeg North Centre, the sponsor of the bill, pointed out that British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec all have legislation on this subject, and that New Brunswick has legislation on vacations with pay with a limited application. Hence when you look at the broad picture of Canada you find that 90 per cent, if not more, of the population has accepted the idea of legislation with regard to vacations with pay. I think that fact must be taken into account as an indication that public opinion is in favour —to the extent of 90 per cent of the population—of legislation rather than, as the minister suggests, leaving the matter to collective bargaining.

Then the hon. member for Hamilton West pointed out on May 11—and these are her words as reported in *Hansard* at page 3834—as follows:

> . . . the virtue in the legislation is that it covers all workers, whether or not they are members of unions or negotiating groups. The main argument against leaving arrangements of this sort to negotiating bodies is that those workers who are not unionized are left out and do not enjoy the privileges which may be extended to those who belong to unions.

The minister has indicated that the 400,000 persons who come under federal jurisdiction in labour matters are highly unionized and to that extent, in his opinion, they are looked after in this regard. But I think there is great weight to the argument of the hon. member for Hamilton West when she says that those who are not in the unions and have not the advantage of collective bargaining should receive some consideration, and that this can be done through legislation.

I examined carefully the table which the minister filed on May 11. I checked that table with his statement as he was relating the facts in the table to the course of the argument. As his argument is set out in *Hansard,* the impression tends to be left that between 6 per cent and 7 per cent of the people under federal jurisdiction are not looked after in so far as vacations with pay are concerned. That happens to be set out in a paragraph by itself and naturally stands out, but it is a bit misleading when you look carefully at the table, because the table shows that over 50 per cent of the employees under federal jurisdiction do not get vacations with pay in the period of one or two years. They must wait for three years, five years or more than five years or else they do not get it at all.

Just recently the minister said that these workers were making—and these were his words—pretty rapid progress in achieving this desirable result of vacations with pay. I think they are not making progress at all, or at least it is very slow progress when you look at that table and see that some of them must wait for five years before they become eligible for a vacation with pay.

Another argument advanced by the minister was that legislation authorizing, for example, one week's vacation with pay after a year's service might tend to put a brake on legislation in the various provinces or collective bargaining looking toward a greater period of vacation than now applies, and that federal legislation authorizing one week's vacation with pay after one year's service might tend to slow down some of these other proposals that are coming forward.

That argument deserves consideration, but I wonder whether it really is a brake on progress. Maybe on the other hand you could say—and I think you can say it with justification—that the general approval given by legislation is helpful to those who are wondering about what they should do with regard to vacations with pay; and if it is established by legislation that it is an accepted, normal practice, then those who are negotiating for better conditions with regard to this problem receive assistance. I therefore do not attach too much weight to the minister's argument with regard to the brake being applied by reason of legislation in this field.

I think this bill should be given second reading and be subjected to the scrutiny of the committee rather than be thrown out at this stage. It is the first time that a bill, in the detailed form required, has been brought before parliament. In other years the subject has been discussed by way of resolution, but on this occasion it has been formalized and the bill is now available for members to look at very closely. Consequently I think it should advance beyond this stage so it can be examined with great care in committee, where there is more opportunity for questions and answers to be exchanged and, of course, for amendments to be brought forward.

I think the general principle is sound, namely that there should be vacations with pay. That principle has been developed over a great many years. As the minister pointed out this afternoon, in the United States of America and in the United Kingdom the idea has been adopted. It is immaterial, for the purpose of what I am saying at the moment, whether it has been done by collective bargaining or by legislation. In these modern industrial states such as ours and the two I have mentioned it has become almost universal practice to provide vacations with pay.

The purpose behind that practice is sound. It is basically for health reasons. If the health of the population is sustained, the industrial

strength of the nation is greater. In view of the fact that this practice has become accepted in this way over such a large area of Canada and in other progressive states, I think the time has come for parliament to consider this matter and, as the Leader of the Opposition suggested this afternoon, to accept the suggestion from the opposition side of the house. There is no harm in the government accepting good suggestions that come with such frequency from this side of the chamber, and this happens to be one of them.

I think the federal government should not be lagging in progressive matters. Sometimes the federal government, in moving forward ahead of some of the provinces, shows the way and gives the provinces a lead as to what might be done. In this particular instance I think federal legislation would be helpful to the provinces which perhaps have not yet seriously considered this question of vacations with pay. I see no objection to the parliament of Canada giving a lead to the provinces generally. It is done in other matters and I do not see why it cannot be done in this field. For these and other reasons that I might bring forward, I am prepared to support this bill.

Mr. T. S. Barnett (Comox-Alberni): I for one, in rising to support the bill that is before the house, would like to see a bill of this nature go before the industrial relations committee. I am quite sure, though I cannot recall him mentioning it, that the mover of the bill would have no objection to that course being followed. The hon. member informs me he so stated when he opened the discussion on second reading.

When this matter was discussed on May 11 the Minister of Labour set out in some detail the position he intended to take, which position he again summarized for the house this afternoon. I must say that I regret he was not sufficiently moved by the exhortation made earlier this afternoon by the hon. member for Winnipeg North Centre that he might act a little more in the role of a visionary or a prophet by putting forward to his colleagues advances in labour and social legislation. Perhaps he does more of that behind the scenes than he does on the floor of the house. He may have noticed that we on this side were encouraged by his fairly forthright statement in respect to wages that are paid in the gold mining industry.

I would say that had he seen fit this afternoon to rise and state that he would be prepared to support the principle of this bill and have it go to the industrial relations committee for study, he would have received an even more vociferous round of applause from some of us over on this side of the house.

[Mr. Churchill.]

I must say that having looked over some of the remarks made on May 11 I find it difficult to call the line of reasoning which he sets forth there as "liberal". Rather it is much more the line of argument that has already been described, that this is a matter that should be left to be decided by the process of collective bargaining. I am going to read briefly from the minister's remarks, just to refresh the minds of hon. members. This is found on page 3838 of *Hansard* for May 11, 1956:

> Where working conditions for a large proportion of employees in any jurisdiction are already established by collective bargaining, it could very well be that standardization through legislation is not desirable. When working conditions are left to collective bargaining there is the ability to inject into them a flexibility in determining standards which is lacking when any government introduces minimum standards. In some instances an increase in wages or salaries or an improvement in some one or more fringe benefits may be more acceptable to the employees than a longer paid vacation leave.

I may say, Mr. Speaker, that in relation to the subject matter of this bill, I found the latter part of the minister's argument to be rather specious. In the first instance the statistics he gave us on that occasion indicate that only 46·7 per cent of the employees who come under the jurisdiction of federal legislation in the field of labour now enjoy, through the collective bargaining process, the proposal that this bill makes. In my opinion he entirely disregards the fact that the people who do not enjoy that position, by and large, are those who certainly have not the bargaining power to secure the other fringe benefit to which he referred in the latter part of his statement.

I think the truth of what I am suggesting is demonstrated by the fact that the organized labour congress and the strongly organized unions, who have holiday provisions as good as or better than those the bill would provide, are the strongest advocates of the adoption of suitable minimum legislation in the field of annual holidays, as they are in other fields of labour legislation. They do not need it, but they recognize that there are large elements of the working force of this country who are not in a position to organize as effectively as they have organized and to win the conditions which they enjoy through collective bargaining.

Certainly I have never, at the large number of trade union conventions of various kinds which I have attended, heard the complaint that the provision of minimum standards by legislation reduced the flexibility of the trade union movement in its bargaining position. I do not know from what source I have heard that argument except

from the conservative-minded Minister of Labour, or should I say a Minister of Labour expressing a rather conservative attitude on behalf of the government. I feel that even now, in spite of what the Minister of Labour has already stated, he might consider the suggestion made by the hon. member for Winnipeg South Centre that this bill be allowed to proceed past second reading and go to the standing committee on industrial relations for detailed study.

At this point I should like to appeal to some of my colleagues on the other side of the house who come from British Columbia to express their personal views on this subject matter. I remember being rather delighted on one occasion, I am not sure whether it was last session or the session before, when a bill affecting the rights of labour was introduced by my colleague the hon. member for Winnipeg North Centre, and all the British Columbia members on the other side of the house rose in support of that bill. I am quite sure they could have a great leavening effect upon the conservative position which the minister has taken if they would get up and extol the virtues of the legislative provisions for annual holidays which we have enjoyed in British Columbia for a good many years. I am sure if they got up they would say this legislation was introduced by a government in which the Liberal party comprised certainly the largest element.

I am sure they would confirm what I have been saying. This matter is so generally accepted in British Columbia at the present time that the provision which was put through the legislature at the last session in Victoria created very little stir. In my opinion it was thrown in at the tag end of the session in Victoria as something of a sop to the labour movement of British Columbia because of the fact that every other demand that organized labour had been making in British Columbia had met a flat refusal by the administration there. Nevertheless I will say that, as far as I am aware, from no political quarter in British Columbia was any objection whatsoever raised to the fact that next year our holidays with pay act will include this provision of two weeks instead of one week of annual holidays with pay.

I do not think there is a great deal more that I can usefully add to the discussion that has taken place, Mr. Speaker, except perhaps to say in closing that to my mind this is one of the subjects which is almost self-evident as a suitable field for legislation in this era in which we live. Because of the pace of our modern industrial society it is becoming almost universally recognized in the minds of all people with any liberality in their minds at all that an annual holiday from the hectic pace of the society in which we live is as essential to the maintenance of a decent standard of living as food and clothing.

Apart from anything else, if we are going to take corrective measures to reduce the number of cases of people who break down under the strain of our society and who have to find protection, at heavy public expense in some instances, in various sorts of institutions which society provides, we have a responsibility to the people of Canada to reduce the incidence of that sort of thing by providing by legislation that every working person in this country will have the opportunity of at least one period of annual respite from his labours.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, in response to the eloquent appeal of the hon. member for Comox-Alberni that some of us on this side express our opinions on this matter, perhaps I shall do some thinking out loud for a change and just say that sometimes some of us on this side find ourselves on the spot. I for one would certainly not speak or vote against any subject on which the government had taken a firm and final position, and certainly not on any matter of want of confidence. But, as the hon. member has pointed out, on these private bills we do enjoy a very wide measure of discretion.

I think there has been every encouragement from all ministers on this side, from the Prime Minister down, to private members to express their personal opinions. I believe hon. members know that on some occasions, even when the hon. member for Hamilton West was introducing a bill which I did not think was a particularly good bill, we have followed that line. I thought the hon. member for Hamilton West was trying to do what was the right thing, but I did not think her bill was a particularly good one; yet I both spoke for it and voted for it because I thought it was a step in the right direction.

I frankly confess I am not sure whether it is a good thing to try to do by legislation what all hon. members opposite have pointed out is being pretty well done already by the ordinary processes of collective bargaining. The hon. member who has just taken his seat has pointed out that in British Columbia, where we come from, this has no practical bearing at all for, as he has said, we have had for a good many years not only legislation but action as the result of collective bargaining which goes a good deal further than this proposed legislation goes.

Mr. Knowles: Only with respect to employees under the jurisdiction of the provincial legislature.

Mr. Philpott: Of course, only with respect to employees under provincial legislation. The hon. member for Winnipeg North Centre knows that they are the overwhelming majority and this would apply simply to a small minority. As the hon. member for Comox-Alberni pointed out, the great labour organizations of Canada, the new amalgamated labour organization which is so powerful and of which we all have such great hopes, and which we think will contribute much to this country, even though their members will not benefit in any great way from the legislation proposed, they have given it their moral support.

Contrary to what my hon. friend has just suggested, I think some of the speeches which were made on May 11 had some pretty good points on the opposite side. It seems to me that some of the speeches at least tended to show that one of the weaknesses of this legislation might be this. We all know that when you pass legislation that legislation tends to set the floor, tends to become the standard. If one effect of the passage of the legislation is to minimize rights which it is said unorganized workers or unprotected workers have already won, then it seems to me that it is a bad thing to have the law.

It might be said that I am thinking out loud. I frankly confess that I would be better pleased if our ministers and our government took a slightly different attitude on some of these welfare proposals that come up from time to time. I will frankly mention things like the check-off, and holidays with pay, and I could mention two or three others. I know very well the general argument is that these things are already being looked after by the collective bargaining process, or by provincial legislation, and therefore there is no particular need for us to have federal action along that line. But the federal government has a responsibility to help to set the pace in these things from time to time, and even its moral effect can be important in that regard.

As the hon. member for Comox-Alberni pointed out, during the long life of the Liberal regime in British Columbia, in which we had a very enlightened minister of labour even in the days when it became a coalition government, the attitude we took was quite different from the attitude that is sometimes expressed in this house. Our attitude was this. We felt that harmonious relations between employers and employees were in the interest of the whole country. We know that in most cases disputes between the two branches of industry centre on wages and hours. We know there is another category of dispute which concerns what we might call fringe benefits. I think this is one of the things that would be included in that category. We also know that there is one other great category of labour disputes. In fact some of the most damaging labour disputes we have ever had in Canada were in a different category altogether; that is the category of whether unions have the right to organize and be recognized legally after they have signed up 51 per cent of the workers.

I know there are many hon. members who have been in this house a lot longer than I, but I do not think there are many who remember more of the history of the improvement in general labour laws and labour relations in this country than I. I am sometimes amazed and greatly encouraged by the great improvement which has occurred even in my lifetime. I remember that when I first went to British Columbia about 20 years ago I went to a town, the name of which I shall not mention, to make a speech before the Canadian Club. An organizer for the mine union arrived in the town the same day I did, and within half an hour the brakes had been taken off his car and the car was allowed to run down a hill to be smashed to bits and pieces. At that time the whole atmosphere of labour relations in this country was in a most primitive and backward state compared to what it is now.

We know that chiefly as the result of an improved outlook on the part of the public, certainly in British Columbia, a great improvement has taken place. One of the reasons for improvement in that province was the enlightened legislation placed on the statute books by the minister of labour, who believed it was a good thing to take these matters out of the category of what were termed fringe benefits, certainly to take out of the category of controversy the right of a union to organize peaceably and be recognized by the employer and by the law if it could get 51 per cent of the workers.

We know that as a result of legislation introduced in British Columbia by a Liberal minister of labour that province set the pace for the entire Dominion of Canada. The labour laws which went into effect officially right across the country and which gave to the unions of this country the right to organize in peace and be recognized under the law dated from that enlightened legislation passed in British Columbia.

It seems to me that the attitude adopted by the British Columbia minister of labour has some slight bearing on this particular

case today. He thought it was better to grant these things by law than to have them fought over in the ordinary process of collective bargaining. He thought it was better to take these things entirely out of the realm of annual dispute and annual negotiation which would take place between the employer and the employee.

There is one other consideration that appeals to me in connection with this particular bill. Even though it does not do anything to protect those who are protected already, that is those who have the protection of a powerful trade union, it seems to me that the proposal would go a long way toward granting justice to the classes in the community which need protection the most, that is the young girl, the young man or perhaps the new immigrant who has come to this country and knows nothing about the way we operate, knows nothing about our trade unions and so on. This would give a certain protection by law to those people who do not have the support of powerful trade unions.

There is a negative side to this bill, in that it would tend to lower the general level of holidays to be granted, just as a floor price under butter tends to fix the price at that level. If a floor under holidays were set by the government, that would tend to become the general level. I think that has been true in connection with minimum wages covering the lower classes of workers. My thinking at this time is that on balance I do not see how I could vote against this legislation. I would certainly be in favour of voting for the legislation at least to the extent of sending it to the committee on industrial relations, where it could be examined.

On motion of Mr. Philpott the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall take second reading of the amendment to the Navigable Waters Protection Act; second reading of the bill standing in my name to amend the Veterans Business and Professional Loans Act; then the resolution with respect to the Indian Act; then the house in committee on the Farm Improvement Loans Act, and then second reading of the Income Tax Act.

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

HOUSE OF COMMONS

Monday, June 18, 1956

The house met at 2.30 p.m.

LIBRARY OF PARLIAMENT

CONCURRENCE IN REPORT OF CIVIL SERVICE COMMISSION

Hon. W. E. Harris (Minister of Finance) moved:

That the report of the civil service commission respecting the position of reference librarian 3, library of parliament, laid upon the table of the house June 13, 1956, be now approved.

Mr. Knowles: May I ask the minister if this does anything other than correct a typographical error?

Mr. Harris: No, Mr. Speaker.

Motion agreed to.

NATIONAL PARKS ACT

AMENDMENT RESPECTING BOUNDARIES OF CAPE BRETON HIGHLANDS NATIONAL PARK

Hon. W. E. Harris (for the Minister of Northern Affairs and National Resources) moved the first reading of Bill No. 433 (from the Senate), to amend the National Parks Act.

Motion agreed to and bill read the first time.

MOTION FOR PAPERS

MONTREAL—HOUSING REDEVELOPMENT PROJECT

Motion No. 85—**Mr. Richardson:**

For a copy of all correspondence exchanged between the Minister of Public Works and the premier of Quebec, the mayor or any other officials of the city of Montreal, regarding the proposed housing redevelopment project in Montreal, since January 1, 1956.

Mr. Winters: Subject to the usual reservation, Mr. Speaker, about first communicating with the government of Quebec.

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

Some hon. Members: Agreed.

Motion agreed to.

ATOMIC ENERGY

STATEMENT REGARDING EXCHANGE OF INFORMATION

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, is the Minister of Trade and Commerce in a position today to give the house any further information with respect to the question I asked him on Friday which had to do with whether Canada is to get all the atomic information that is being exchanged between the United States and Great Britain?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have the information requested. An announcement was made last Friday of amendments to the United States-United Kingdom bilateral agreement to provide for the following:

(a) An exchange of information on the development, design, construction, operation and use of certain package power reactors and reactors for the propulsion of naval vessels, aircraft and land vehicles; and

(b) The transfer as between the United States and the United Kingdom of certain fissionable materials. Specifically, the amendment will permit the United Kingdom atomic energy authority to purchase U-235 from the United States atomic energy commission. It will also permit the United Kingdom atomic energy authority to sell to the United States atomic energy commission certain quantities of depleted uranium.

The United States atomic energy commission has proposed that our bilateral be amended as per (a) above. It should be noted that in our existing bilateral there is a provision covering the exchange of information on package reactors. The amendment will provide for the inclusion of information on submarine, ship and aircraft reactors.

With respect to (b) above, our existing bilateral does provide for the transfer of fissionable materials as between the two countries. We are now selling natural uranium, plutonium and depleted uranium to the United States atomic energy commission and we have the right to purchase U-235 up to an enrichment of 20 per cent. In other words, the present United States-Canada bilateral does not require amendment in so far as it affects the transfer of fissionable materials as between the two countries.

Mr. Green: In effect, Canada will be put in the same position as the United Kingdom.

Mr. Howe (Port Arthur): Yes. It is almost in the same position today. The only addition will be an amendment which will provide that we will receive information on propulsion of naval vessels, aircraft and land vehicles.

Inquiries of the Ministry

Mr. Green: Has the government in mind any program in connection with the development of engines for aircraft or naval vessels?

Mr. Howe (Port Arthur): No.

HOUSING

MORTGAGE MONEY—GOVERNMENT POLICY RESPECTING INTEREST RATE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Is it government policy not to reduce the interest rate on mortgage money for home building unless the United States takes such action first, as reported by the Canadian Press today? Is the government not going to give attention to the serious need for increasing the amount of mortgage money available for home building?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I did not hear the central part of what my hon. friend said with respect to today.

Mr. Knowles: The first part of my question was based on a Canadian Press dispatch. I asked whether it is government policy—

An hon. Member: The Winnipeg *Free Press*?

Mr. Knowles: No; I am reading from the Montreal *Gazette*. I asked whether it is government policy not to reduce the interest rate on mortgage money for home building unless the United States takes such action first.

Mr. Harris: No, Mr. Speaker. We judge the requirements of the Canadian economy according to our best judgment. It is true that outside influences may affect our decisions from time to time, but any such statement would be incorrect.

Mr. Knowles: May I ask the minister a supplementary question. Does he not realize that the requirements of the Canadian situation call for mortgage money for homes at a lower interest rate now?

EGGS

ALLEGED IMPORTS FROM IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. Maurice Boisvert (Nicolet-Yamaska): I should like to ask a question of the Minister of Trade and Commerce. On May 28 last, in reply to a question by the hon. member for Oxford (Mr. Nesbitt), the Minister of Trade and Commerce said that in 1951, 195,000 cases of eggs were exported from Canada and 95,000 cases were imported into Canada. Is it true, as it has been alleged in the publicity of the Union Nationale party in Quebec—

Some hon. Members: Oh, oh.

Mr. Boisvert: —that these 95,000 cases of eggs, or any part of them, were imported from behind the iron curtain?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the hon. member was good enough to give me notice of his question and I have been able to look up the statistics. I find that the statement referred to is completely false. There were no importations of eggs to Canada from countries behind the iron curtain in 1951. The 95,000 cases of eggs were imported from the following countries: United States of America, Holland and Eire. The reason for importation in 1951 was the short supply of eggs in Canada at that time.

The average price of eggs to producers in Canada in 1951 was the highest average price in Canada for the years 1950-1955 inclusive.

The recent shipment of 10,000 cases of eggs from Poland was the first shipment into Canada from Poland. Egg prices have gone up in Canada since that shipment was received.

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO SETTING UP OF CANADA COUNCIL

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. Can the Prime Minister advise the house what it is that is holding up the establishment of the Canada Council for so long?

Right Hon. L. S. St. Laurent (Prime Minister): This matter has been under consideration and it has very many implications that have been carefully studied. There is, I understand, a large body of public opinion in favour of doing that, and there is another body of public opinion that fears that would be an intrusion into the domain of education that is properly of provincial jurisdiction. Those are some of the considerations that have been studied.

There is also the consideration that is being given to the possibility of creating a body composed of the kind of Canadian personalities that would make it a really influential body that would command the respect of the whole community. Of course, there are many such persons in Canada but they are all very busy and it has not yet been possible to devise the kind of scheme I should like to recommend to parliament.

HOUSE OF COMMONS

QUEBEC PROVINCIAL ELECTION—REFERENCE TO STATEMENT BY MR. HOUDE

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a question to the Prime Minister. Has the Prime Minister any comment to make on Mr. Camillien Houde's statement last Thursday night in Montreal, to the effect that the main publicity agent for the Liberal party in the province of Quebec, Jean-Louis Gagnon, founded in Quebec city on October 10, 1936, a communist politburo?

Right Hon. L. S. St. Laurent (Prime Minister): No, I do not care to make any comment on what Mr. Houde may have said. I think Mr. Jean-Louis Gagnon is well known to the Canadian people and he requires no defence from me.

Mr. Dufresne: I should like to direct a supplementary question. Is it the intention of the Prime Minister, as the Canadian leader of the Liberal party, to repudiate the following statement written by the said Jean-Louis Gagnon, who calls himself a Liberal, after the foundation of the communist politburo when he declared:

(Translation):

The bourgeois are like pigs; I am beginning to understand Lenin. *Ça ira*—(we'll manage it)

Mr. Speaker: Order.

Mr. Dufresne:

—all the priests—

Mr. Speaker: Order.

Mr. Dufresne:

—we will kill them.

(Text):

Mr. Speaker: Order. I think the hon. member realizes when he asks his question at this moment that it should be a question relating to the administration of the affairs of this country. The question he is now proceeding to ask is directed to the Prime Minister (Mr. St. Laurent) as the leader of the Liberal party. The Prime Minister is here as the prime minister in charge of the affairs of the government.

NATIONAL DEFENCE

TABLING OF WHITE PAPER, "CANADA'S DEFENCE PROGRAM 1956-57"

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should like to advise hon. members that the defence white paper, "Canada's Defence Program 1956-57", was tabled today and is being distributed in the usual way.

INQUIRY AS TO REFERENCE OF ESTIMATES TO COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): With reference to the white paper to which the Minister of National Defence has just referred, may I ask the Minister of Finance if he has given the consideration he said on Friday he would give to my question as to whether or not the defence estimates could be referred to the committee on estimates.

Hon. W. E. Harris (Minister of Finance): I have given some consideration to it, but I have not completed the consideration.

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING APPROVAL BY MINISTER, ETC.

Hon. Robert H. Winters (Minister of Public Works) moved the second reading of Bill No. 388, to amend the Navigable Waters Protection Act.

He said: This bill seeks to amend part I of the Navigable Waters Protection Act, which is that part of the statute administered by the Department of Public Works.

This part of the act, as it presently stands, provides that no work shall be built in a navigable water unless the governor in council has first approved of the plan and site of the work. Persons proposing to construct works in navigable waters are required to submit a plan of the work and a description of the site to the Minister of Public Works. Public notice of the proposal is also required. To this end applicants must deposit a copy of the plan and description in the local land registry office and insert an advertisement in the *Canada Gazette* as well as in two local newspapers. One month must elapse after the advertising is thus inserted before the application can be submitted to the governor in council.

Our navigable waters have played a vital part in Canada's development and they continue to do so even though others forms of communication have rapidly developed over the years. One of nature's greatest gifts to Canada is a plentiful supply of rivers and lakes. The pioneer era of Canada was dominated by our rivers. The country was explored and opened up along their channels because they then were the only routes through a land of impenetrable forests. Exploration, settlement, trade and national development all have made use of them. At the time of confederation, by far the greatest part of what is now Canada was still dependent upon them.

It is not too much to say, in fact, that in the first half of the 19th century Canada was dependent upon her waterways. In the second half, railways provided a new impetus and we have gone on from there to build up a transportation system which relies not on any one but on a number of methods of communication. I think hon. members will agree, however, that our navigable waters continue to be a crucial part of our entire transportation picture and nothing could more graphically illustrate this than that immense project which is now under way, namely, the St. Lawrence seaway.

This act we are seeking now to amend has been interwoven with a great deal of our economic history because it is the instrument the government has used for generations to protect the public interest in seeing that our navigable streams are protected for the use of navigation.

In the year 1886, the then minister of marine and fisheries, Hon. George Foster, moved for leave to introduce a bill respecting the protection of navigable waters, a piece of legislation which he said was mainly an adaptation of the law as it then existed, with some changes in the verbiage and two or three sections added. In other words, in one form or another, this law goes a long way back. The economic pulse of young Canada of 1886 can be sensed in reading the speeches made at that time because they largely revolve around the question of disposal in navigable streams of the immense quantities of sawdust arising from the great industry of the era, lumbering.

One can also catch in that debate of 1886 the voices of the rivalries between shipping interests and the lumbering firms whose enormous quantities of logs sometimes tended to choke our rivers from bank to bank.

A reading of that debate of 1886 leaves no doubt that our parliamentary predecessors felt it important that our navigable waters should be protected and that every reasonable precaution should be taken before authority was granted to permit structures to be built in them. I think it is agreed that this need is as important today as it was then.

However, it has been found that the procedures required by the present statute involve long delays in obtaining the approval of the governor in council. These delays are particularly onerous in these days of rapid development; and the statute is specific in requiring that the approval of the governor in council be obtained before construction of the work is commenced. Moreover, if a structure is started without the necessary approval there is no authority whatever under the statute for giving it subsequent approval.

[Mr. Winters.]

Even having regard to the essential character of our navigable waters and the importance of protecting them, the present statute seems too rigid for present-day application. The number of applications received is quite high and it is on the increase. Last year, for example, approximately 300 applications were processed. It is desirable, therefore, that procedures be developed which will allow applications to be processed expeditiously. This bill seeks to simplify the procedures without sacrificing the element of protection. It provides that the Minister of Public Works may approve the plan and site, thereby reducing the delays involved in referring to the governor in council the multitude of applications, many of them minor in importance and involving only small amounts of money. Further provision is made to enable the Minister of Public Works to approve the plan and site after construction has been commenced if, before commencing construction, the applicant has obtained in writing the consent of the Minister of Public Works.

Under the statute as it now stands, there are certain exemptions, namely, small wharves, groynes, bank and beach protection works or boathouses that do not interfere with navigation and do not cost more than $1,000. These the minister is authorized to approve without the application having to pass through all the stages required by the statute for larger projects.

This bill enlarges this scope and makes exemptions applicable to all works other than certain specific types which, no matter how inexpensive, will interfere with navigation. The works which will not be exempted are bridges, dams, booms, aboiteaux or causeways. The limitation of $1,000 which was enacted many years ago is now considered unrealistic and the bill raises this to $5,000.

At present a lawful work may be rebuilt or repaired if in the opinion of the minister such rebuilding or repairing does not increase the interference with navigation. Many persons desire to change a work in such a way that it will not increase substantially the interference with navigation, but because the change cannot be called rebuilding or repairing they are required to conform to all the formal steps required by the statute. The bill simplifies this procedure in the case of any alteration which would not substantially increase the interference with navigation.

The statute now provides that if a work was built or was in the process of construction on the first day of June, 1938, without the approval of the governor in council subsequent approval may be sought.

Nothing built since that time can be approved unless the provisions of the statute have been fully complied with.

Since June 1, 1938 some works have been constructed without approval. As I have indicated, as the statute now stands, they are not capable of being approved. It is considered that if an unapproved work merits approval and has been in existence for a reasonable period of time without creating navigational difficulties there should be authority to approve it. The bill establishes this period as five years.

It is considered that the changes will simplify the act and facilitate its administration without reducing the protection which the government considers should be exercised over our navigable waters.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the minister in opening the debate on this bill dealt at some length with the importance of the Navigable Waters Protection Act and if I heard him correctly he used words to this effect, that navigable waters should continue to be a crucial part of our transportation system. That, of course, is very true but I am afraid at least some of the terms of this bill are removing the restrictions to a greater extent than is necessary to meet modern conditions. After all, once a work of this kind is placed in a navigable water it is there for many, many years and it is very difficult to do anything about it. If navigation happens to be impeded by that work then there is no way of meeting that situation, that is in ordinary practice, and the particular lake, river, bay or harbour is impeded to the extent that work has been erected.

The act, of course, was designed as a means of helping transport by water, of insuring that there would not be unreasonable interference with that type of transportation. As the minister has said, the act has always been considered one of the most important acts on the statute books of Canada. It deals with a subject that is primarily the responsibility of the Minister of Transport (Mr. Marler) and not the Minister of Public Works (Mr. Winters) at all. I suggest the Minister of Public Works is in this picture only as a supernumerary. If one refers to the report of the Department of Transport he will find that part 2 of the Navigable Waters Protection Act is administered by the Minister of Transport (Mr. Marler), whereas part 1, which is the general overriding provision, has up to this time been the responsibility of the cabinet as a whole; as the minister will admit, the governor in council has been responsible for the proper carrying out of the first part of the Navigable Waters Protection Act.

My first objection to this bill is that, should it become law, the cabinet will go right out of the picture and one minister alone, the Minister of Public Works (Mr. Winters), will become the dictator, shall I say, under the Navigable Waters Protection Act. He is not responsible at all for water transport, which is the responsibility of the Minister of Transport, and yet the Minister of Public Works is to be given complete jurisdiction over obstructions placed in navigable waters.

I am concerned primarily with the position of the Minister of Transport, who is responsible for our national harbours, and also for seven harbour commissions which I believe have been incorporated under dominion statutes. There is a provision written into this bill which provides that the Minister of Transport must be consulted in certain cases, but he is not given the same power as that to be given to the Minister of Public Works even with regard to works erected in one of our great national harbours.

The Minister of Northern Affairs and National Resources (Mr. Lesage) has jurisdiction under the act passed last year over international rivers. If there were to be a work erected, say, on the Columbia or on the Saint John river, then the Minister of Northern Affairs and National Resources would have to issue a permit. Where is he to be in this picture? Under this bill the Minister of Public Works could authorize the erection of a dam, a pier or other obstruction on the Columbia, the Saint John or the Yukon river and the Minister of Northern Affairs and National Resources would have no authority whatever to interfere.

The Department of Fisheries should be concerned with obstructions placed in navigable waters, and it might be vital to the Minister of National Defence (Mr. Campney) as to whether an obstruction should be permitted in waters where naval vessels are plying. There are many reasons why the decision as to what works should be erected in navigable waters should be placed before the cabinet as a whole rather than being left in the office of the Department of Public Works.

The Minister of Public Works, for whom I have great respect, is the minister from Nova Scotia, but under this bill he would be permitted to authorize works anywhere on the British Columbia coast and the ministers from British Columbia need not know anything about them. They would have no opportunity to deal with the application for a work of that kind. On the other hand, under the present act they would at least

have the opportunity to know because the application would have to be passed by the cabinet as a whole.

I suggest to the minister with great earnestness that it is much wiser to keep the decision in the hands of the cabinet with regard certainly to the major works that are going to be erected in navigable waters rather than to leave it to an individual minister. See what it places in the hands of one minister. The time may come when a minister of public works will be able to use this power for patronage purposes or for favouritism to this group or that group or this company or the other company. It is placing the minister's own department in an invidious position. Power of that type should not be given to one minister.

I am afraid this is just a case of the departmental officials thinking that they could get along a lot faster and with far less trouble if they did not have to present these applications to the cabinet, if they could just decide themselves that such and such a work would go in such and such a spot and then give the minister a memorandum and have approval of the scheme without all the fuss and bother of going to the cabinet. We have a cabinet in Canada which is for the very purpose of dealing with situations of this kind, of being there so that you get the judgment of the whole group, men who come from all parts of the country, rather than leaving decisions of this kind in the hands of one minister.

Under the act now in effect the key section is section 4. The first subsection of that section reads as follows:

> No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

That is the key section of the first part of the present act. In the next section, section 5, we find that any unauthorized works can only be removed by the authority of the governor in council. It is true that the cabinet can tell the Minister of Public Works to have that done but the authority rests with the governor in council. Furthermore, under the present law any regulations under the act have to be passed by the governor in council. Yet in the new bill the whole power to make regulations is taken away from the governor in council and placed in the hands of the Minister of Public Works alone. That, I suggest, is going too far and, frankly, I am hoping that the minister and the other members of the cabinet will be willing to have a further look at the bill rather than try to force it through in the form in which it is presented to the house today.

Then, under the bill we are discussing there is this further power. The Minister of Public Works will be able simply to give a letter saying to a firm: You can go ahead and build that work. He can give that letter without even seeing a plan of the work in question. It is true that eventually the work will have to get approval and plans will have to be filed, but surely it is going too far to allow the minister simply to write a letter to the firm and that is all they require to construct the work. No work in Canada that is going to interfere with navigable waters is of that urgency.

For one thing, the people who are affected should be given time to file complaints. Suppose a logging company comes to the minister and gets a letter permitting it to put a boom at a certain spot which interferes with property abutting on the water. The owner of the land should have the right to make a complaint before consent is given to the placing of the boom. Yet under the bill as presented to the house the minister can authorize such a boom to be placed in those waters and there is no requirement whatever that anybody shall be given notice.

Perhaps with a boom it would be simpler. Possibly I have used a poor illustration because a boom can be moved. But suppose a pier or a dam or something of a permanent nature is installed. Then the owner of the abutting property is very seriously prejudiced. I suggest that the provisions in the original law calling for the filing of plans, advertising and giving people affected time to appear were very sound. They were put there for a very good reason and they should not be overridden at this time simply in order to get faster action in installing a pier or other work.

Furthermore, the minister spoke very favourably of the provision whereby if a work has been in place for five years it can then be authorized. Surely that undermines the whole working of the act. People should not be putting bridges, dams or obstructions of any kind in navigable waters without getting permission first. Yet here we are writing in a section which says to Mr. A or John Jones and Company Limited: If you put in a dam five years ago and have been able to get away with it, that is all right now and we will give you approval. I think that provision should be changed. I do not see any fairness in writing a provision of that type into the law.

The present act also includes a very wide definition of work as found in section 2 (b) which reads as follows:

"Work" includes any bridge, boom, dam, aboiteau, wharf, dock, pier or other structure, tunnel or pipe—

Of course, the word "pipe" is important now that pipe lines are being put under navigable waters.

—or telegraph or power cable or wire and the approaches or other works necessary or appurtenant thereto, or any work, structure or device, whether similar in character to the foregoing or not, which may interfere with navigation.

That definition is very wide. It covers everything. But there is a provision written into the law at the present time for taking out certain specific works if they are of a value of $1,000 or less. That is contained in subsection 2 of section 4 which reads as follows:

The provisions of this section do not apply to small wharves or groynes or other bank or beach protection works, or boathouses, if in the opinion of the Minister of Public Works—

Here he was given discretion in the original act, and I think properly so.

—(a) they do not interfere with navigation, and

—(b) do not cost more than one thousand dollars.

That meant that the minister could exempt these small wharves or groynes or bank or beach protection works or boathouses from the act if they did not interfere with navigation and if they did not cost more than $1,000. But now in the new bill the minister goes at it the other way. He says that a bridge, boom, dam, aboiteau or causeway are in the first class and everything else, all these other things, wharves, docks, piers, tunnels, pipes, telegraph or power cables or wires and so on are in another class. They are all put in the category: "if, in his opinion, he thinks they do not substantially interfere with navigation"—the word "substantially" appears for the first time in this bill; it was not in the original act at all—and then in addition, "if the value of the work does not exceed $5,000" instead of $1,000. In other words, the minister will be able to exempt every work up to $5,000 in value if he thinks it does not substantially interfere wtih navigation, except in the case of a bridge, boom, dam, aboiteau or causeway. I think that is going rather far. I think it would be far better perhaps to extend the exemptions as contained in the present act rather than taking everything out except bridge, boom, dam, aboiteau and causeway.

I should like to comment on the effect of this bill on the harbours of Canada. I refer particularly to the national harbours and to those harbours which have harbour commissions. Of course, both types of harbours come under the Minister of Transport (Mr. Marler). The latter harbours are Belleville, Hamilton, New Westminster, north Fraser, Port Alberni, Toronto, Winnipeg and St. Boniface. Under this bill, as it stands, the Minister of Public Works can authorize any work in any one of those harbours that have their independent commissions such as New Westminster, Hamilton and the others to which I have referred. He has the absolute authority to authorize that work in each one of those harbours. With regard to the national harbours, the bill provides that consent must be obtained from the Minister of Transport, with two exceptions; and they are extremely important exceptions. Of course, this particular feature is very important to me as a member from Vancouver because our harbour is the lifeblood of our whole city. The exception is that the minister can give a letter authorizing a work in the Vancouver harbour without any reference whatever to the national harbours board or to the Minister of Transport. Furthermore, the minister can make regulations of all kinds—apparently even dealing with national harbours—without referring to the Minister of Transport.

I suggest to the minister that he should be unwilling to have himself placed in that position. We do not want him authorizing on his own works for the Vancouver harbour. Certainly they should have the approval of the national harbours board and of the Minister of Transport. But once the Minister of Public Works gives such-and-such a company a letter saying that they can build a pier, and once they go ahead on that letter and start building the pier, it is going to be fairly hard to get them stopped. It is just breaking down the whole chain of authority in that harbour. I hope the minister will agree to make some change in that provision.

I repeat that this appears to be a case where the minister's department is asking for more power than is necessary and, in so doing, is running the risk of breaking down an act which is one of the foundation stones for our water transport in Canada.

This nation will always be much concerned with water transport. The minister himself pointed out what a great difference the St. Lawrence seaway is going to make. Of course, that is true. We have new harbours opening up. I think it was he who just a few weeks ago told us about the possibility of a new harbour up on Ungava bay. We are trying to get harbours in the Alaskan panhandle; we are trying to persuade the Americans that they should let us have harbours in the panhandle on the west coast. I am afraid it is quite a tall order. However, there are going to be these great harbour developments and great developments in the other waters of

Canada, not only on the great lakes and the inland lakes, but also on the seacoast.

Rather than rush this bill through today in the form in which it now stands, I suggest that the minister agree to have another look at it and just see if he cannot propose amendments which will remove these objectionable features of the bill as it now stands.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as the minister said, while on the surface this is not an extremely important bill, actually it is a very important bill because, as he said, our navigable waters are a crucial part of our transportation system.

I listened with close attention and considerable interest to what the hon. member for Vancouver-Quadra (Mr. Green) had to say. While I am not certain of all aspects that related to his argument, I think he was on sound ground in urging the minister to give further consideration to certain clauses in this bill.

As I understand it, we have made considerable progress in this matter. We are doing things—or the minister will be doing them if this bill is passed—that actually required a special act of parliament many years ago. I have read the bill over and I must say that I am not clear as to what some of the sections actually mean; and I am not any more informed after listening very carefully to the minister's statement. I am not reflecting on the minister. It is possibly because of my own stupidity. As I see it, however, in this bill there are certain changes made that will have a major effect on administration. According to this act, in order to meet an emergency situation for any corporation or person, the minister may not require them to submit plans, advertise in local papers, advertise in the *Gazette* and so on before making application. Then I understand that the minister may approve the plans, the site and the structure in the normal way and he may also approve the site and the building of something that has been commenced prior to any application. Personally, I think that procedure is most unsound. I have seen some of it in my personal experience in the past, Mr. Speaker. Then his limitation is raised from $1,000 to $5,000 in certain projects, provided they do not substantially affect navigation. That word "substantially" is a difficult one to define, from my understanding of the word. Then again, to me an interesting section of the bill is the one that provides that if the five years have elapsed since some structures were erected or since completion, the minister can make them legal structures according to this bill.

An hon. Member: May.

[Mr. Green.]

Mr. Herridge: Yes; may. I wonder why? A good many piles, dolphins and other things that are a hazard to navigation have been driven without any reference to the minister's officials at all in the past. Our country is full of structures that were erected without authorization and without any submitting of plans, sites and things of that sort. I am not talking about large structures. I am talking about dolphins for tying booms, isolated piling in different sections of the lakes and things of that sort. As I read this bill now the minister has power to make these structures legal structures.

I do not quite see the necessity for the argument with regard to urgency. These companies are mostly lumber companies, shipping companies and warehouse people, and why are they not required to exercise the normal foresight and go through the procedures through which other people have to go in connection with things of this sort? I cannot see why this one group of people should be exempted from exercising the normal foresight on occasions when that is necessary.

I, like the hon. member for Vancouver-Quadra (Mr. Green), think the major objection to the bill is that it places in the hands of the minister powers that were formerly in the hands of the governor in council. I base my objections on the same reasons. I can see some conflict of interests, and I think nowadays there is more necessity than ever before for co-operation between departments. What happens if the minister gives authority to build a structure under the Navigable Waters Protection Act and then later it is found that it conflicts with something under the international rivers act? I know that one has to get a licence under that act if the water level is substantially raised at the international border. The minister may give a permit to erect a structure of a certain type without knowledge of the fact that another department is considering raising the level of the water for power purposes or damming a lake or a river. I think, therefore, it would be a protection to all the parties concerned, not only to the government but to the persons who are making applications.

Some mention was made of fisheries. I think the situation as it is today, especially following the introduction of the international rivers bill at the last session and the unusual interest and concern about fisheries, more than ever requires that these applications should be granted as a result of a cabinet decision and not as the result of the decision of one minister.

Now, Mr. Speaker, those are the few brief remarks and suggestions I have to offer. In

my opinion the minister would be wise to have this bill referred to the committee on railways, canals, and telegraph lines, where we could have the officials before the committee as well as other interested persons, and find out what is what. It is a very difficult procedure to understand. I think if the bill were sent to the committee I mentioned we could ask questions and ascertain to better advantage from the officials and the minister the purpose and effect of this legislation on navigable waters in Canada.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I too, listened with a great deal of interest to what the minister said when he moved second reading of the bill and to the observations of the hon. member for Vancouver-Quadra (Mr. Green) and the C.C.F. member who has just taken his seat. I also wonder if we are not reaching a point today where we are trying to allocate too much power to a particular minister. I do not propose to take this opportunity to castigate this particular minister who is introducing the bill, but on an examination of the legislation I find that earlier this session we gave the Minister of Agriculture (Mr. Gardiner) certain authority with respect to increased allowances under P.F.R.A. Here, we have a second instance of more and more authority passing from the governor in council into the hands of a minister in charge of a particular department.

I understand that some years ago works of this type were covered by bills which were ratified by parliament before being undertaken. Today we find that more and more, under the guise of urgency, these powers are being transferred to ministers. I believe it is time we had a second look at a lot of these things. The hon. member for Kootenay West (Mr. Herridge) suggested the bill be referred to the committee on railways, canals and telegraph lines for particular study, after which we could come back with further recommendations.

I would be prepared to support the proposal. However, I think possibly, as was suggested by the hon. member for Vancouver-Quadra, this covers specifically some of the things that come directly under the Department of Transport. I wonder, therefore, if it would not be possible to have a committee composed, let us say, of the Minister of Public Works (Mr. Winters), the Minister of Transport (Mr. Marler) and the member of the cabinet who comes from the province in which the work itself is to take place. If the minister is going to have to take authority in order to get business done in this house, then it might be desirable to break it down to the point where at least the province in which the work is to be done has some representation on the committee. It may be that the minister from the province in which the work is to be done may not be particularly interested in that department, but it might give him an opportunity of expressing the point of view of the province on the matter. I believe there is another committee set up known as the east slope of the Rockies committee, and I believe that it is composed of certain cabinet ministers as well as delegates from the provinces. I understand they have worked quite amicably in solving their problems.

Now, the great danger as I see it is not only the bypassing of parliament—that was done some years ago when parliament gave authority to the governor in council to authorize this work—but now we are also bypassing the governor in council and giving the minister the right to authorize certain work. I can see a certain danger in this by reason of the fact that the minister may be unfamiliar with the project being undertaken. While on the surface it might seem like a sound piece of work, in the long run it may prove to be quite the opposite. I noticed that in the bill there is the word "substantial" which gave me some concern. On examining the dictionary I found that the definition is, of a considerable amount.

I would say that if the danger to navigation must be of a considerable amount we should know what that amount is. I have in mind, for instance, speaking of bridges, booms, dams, aboiteaux and so on, that there is a certain amount of diking going to waste on the Fraser river, which is a navigable stream. We have reason to believe that the booms in the Fraser river are affecting the dikes, and there is cause for alarm there. Whether or not it is sufficient in amount to have the minister suggest that booms should be done away with, I do not know. I am not satisfied that he has indicated to us what control we would have over the setting up of further booms or dams or any other of these works that are suggested in the bill itself.

In so far as the question of urgency is concerned, I feel very much as did the hon. member for Kootenay West. Certainly, as he suggested, any lumberman or anyone who is thinking of undertaking such a work should have given his plan sufficient thought to be able to give the minister an opportunity of discussing the matter with the governor in council. But I am certainly alarmed at a proposal—and I believe I indicated this earlier—under which we are even doing away with the co-operation through the governor in council that I called for, for instance, in

the building of certain works in my own area, where I suggested that one department was not aware of what the other department was doing, with the result that they were interfering with each other's work.

The fact that the Minister of Public Works should be given this authority is not important in itself, inasmuch as we have a great deal of confidence in him, and share it with others. The important question is whether any minister should continue to have more and more authority delegated to him under the guise of urgency or emergency.

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, one cannot help the feeling that this bill would come much better from the Minister of Trade and Commerce and the Minister of Defence Production (Mr. Howe). It really is his type of bill. It takes authority which has previously been in the hands of the cabinet as a whole, tears it away from them, and transfers it to the jurisdiction of a single individual. Now, admittedly the minister to whom I have referred quite often does not bother with a bill to accomplish that and to that extent at least it is decent of the Minister of Public Works to come before the house and tell us what he proposes to do.

I do not know what it is, Mr. Speaker, that makes those engineers feel that they are so omniscient. Other members of the cabinet are—

Mr. Howe (Port Arthur): What makes your type of man so important?

Mr. Hamilton (Notre Dame de Grace): Well, perhaps because we have a certain amount of common sense; perhaps because we have not sat—

Mr. Howe (Port Arthur): That is a great claim.

Mr. Hamilton (Notre Dame de Grace): —on the treasury benches for 20 years and become so overconfident in ourselves and so completely convinced we know all the answers that we are prepared to listen to the general public once in a while and come here—

Mr. Howe (Port Arthur): I am not prepared to listen to you, but I get paid to do it.

Mr. Hamilton (Notre Dame de Grace): I beg your pardon?

Mr. Howe (Port Arthur): I am not prepared to listen to you but I get paid to do it and so I will.

Mr. Hamilton (Notre Dame de Grace): Sometimes, Mr. Speaker, I feel the same way but perhaps it is harder—

Mr. Knowles: You don't get paid as much.

[Mr. Hahn.]

Mr. Hamilton (Notre Dame de Grace): Perhaps it is harder for the Minister of Trade and Commerce to listen to the opposition because he gets paid 2½ times as much as we do. But, Mr. Speaker, just picking up the interjection of the minister, I must say that, having listened to some of the things that we had to listen to in the last few weeks from the government benches, I do not feel that I have been paid a cent too much. If they paid us 10 times as much it still would not have been worth while. However, I do not know what it is that makes these engineers feel that they are so omniscient that any one of them can make decisions that may affect the whole future course of a major transportation system in this country, because that is essentially what it is proposed to do in this bill.

I have no intention of repeating the excellent arguments which have been made against the bill today. However, there are one or two points which have not been touched on to my knowledge. One, for example, is that when anything is done by the governor in council an order in council is required and it becomes a matter of public record—at least it usually becomes a matter of public record, for there have been certain of them which the government in its wisdom has seen fit to keep secret. However, the great majority of them do become a matter of public record.

I see the Minister of Trade and Commerce leaving. Has he decided he is not going to earn his money this afternoon?

Mr. Howe (Port Arthur): I have earned it already.

Mr. Knowles: Not in the pipe-line debate.

Mr. Hamilton (Notre Dame de Grace): These orders in council become a matter of public record and we can turn to them at any time and find out what decisions have been made by the cabinet in a given set of circumstances. Those of us who are interested can check back and find out almost immediately what course of action is being followed in connection with some major undertaking affecting a navigable river; but, to the best of my knowledge, under the provisions of this bill and from reading it quite carefully, there is no provision for the minister to let anybody know publicly in this house, or as a matter of government record, what he is doing, what he has done and what he proposes to do. The result is, if this is transferred to the jurisdiction of the minister himself, he can engage in whatever type of shenanigans he wants to, he can make whatever arrangements he wishes with a local group or with a particular company, and while certain reference will be made to it in the local press in the immediate area, we as members of this house who

must bear at least some of the responsibility and take an interest in the minister's activities, will know nothing whatsoever of his actions. I think that is one of the greatest weaknesses in transferring responsibility of this sort progressively from the house itself, where we automatically become apprised of it, to the governor in council where it presents some difficulty but where we still can become apprised of it, eventually to a minister where it then becomes his private prerogative and, if we are going to pry it out of him at all, we have to do it by means of special motions in this house which the minister sometimes in his wisdom allows to go through and at other times in his wisdom does not allow to go through.

Mr. Knowles: Wisdom?

Mr. Hamilton (Notre Dame de Grace): Well, "wisdom" is a debatable point but unfortunately I must keep very close to the bill.

Mr. Pickersgill: These remarks are a reflection on the house.

Mr. Hodgson: There is a pronouncement for you.

Mr. Hamilton (Notre Dame de Grace): If they should be construed by anyone except the Minister of Citizenship and Immigration as a reflection on the house, Mr. Speaker, I am sure you would have taken adequate action before now. However, as we know, the Minister of Citizenship and Immigration regularly takes the attitude—

Mr. Hamilton (York West): Careful; he is second in command.

Mr. Hamilton (Notre Dame de Grace): He regularly takes that attitude about a number of things. He will always be second in command, Mr. Speaker, no matter where he sits.

Mr. Lennard: Don't mumble over there; stand up and be counted.

Mr. Hamilton (Notre Dame de Grace): We saw an example of what can happen, Mr. Speaker, under legislation of this kind in England just a few weeks ago. In that particular case a small government body had been given jurisdiction in a particular field. The individual of whom I speak had bought a piece of property which she proposed to farm. She bought and paid for it. She farmed it for two years, and at the end of that time, without any reference to any courts in the land, without any reference to parliament, without any reference to anybody, she was completely dispossessed of her property and it was taken over by the state purely and simply because under legislation similar in intent to this the control of how a person should farm had been given to a particular individual. Here we are transferring to a particular individual, the minister in this case, complete control of what type of structure shall be built on our navigable rivers, whether they shall be torn down, and all the ancillary matters connected with such steps.

In the city of Montreal in connection with the national harbours board operation, for example, we find it is quite conceivable to have in and around that area construction work going on which might prove to be a serious handicap and detriment to our harbour. This work could be undertaken without any knowledge whatsoever of the national harbours board or the Minister of Transport (Mr. Marler). Frankly, I do not think we want to see one man having this immense amount of authority. I certainly subscribe heartily to the opinions expressed by the speakers who have preceded me and particularly the hon. member for Vancouver-Quadra (Mr. Green). I have just risen at this time to accept their general argument and to support it with a few additional facts which may be of some interest to the minister.

I would counsel the minister through you, Mr. Speaker, to think carefully over the past history of the Minister of Trade and Commerce (Mr. Howe) and to turn over in his mind the course of action followed by the Minister of Trade and Commerce which has led to the present dislike for that course of action which exists right across this country amongst the people of Canada. I would not want to see the Minister of Public Works (Mr. Winters), who at times shows promise of being a pretty decent and a rather nice sort of minister and hon. member of this house—

An hon. Member: Ten dollars please.

Mr. Hamilton (Notre Dame de Grace): —following that most unfortunate path which leads eventually to a dictatorial attitude and an attempt to gain complete control over matters which he has no right to control.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, a few minutes ago when remarks were being passed around concerning who was being paid for what, I must say I was wondering whether the Minister of Public Works should not have attempted to have a clause included in this bill which would increase his salary in view of the extra work and responsibility that will be placed on his shoulders if this bill goes through.

Let me say at the outset that as far as I am concerned I can appreciate the desire of the minister to streamline and perhaps

increase the efficiency of processing the applications that are made under the Navigable Waters Protection Act.

I happen to have with me a copy of the June 16 issue of part I of the *Canada Gazette* and I notice in this particular issue there are notices of 12 applications under the Navigable Waters Protection Act and while that may be somewhat unusual there are nevertheless a good many applications appearing in the *Canada Gazette* from time to time, certainly since I have been a member of this house.

As I say, I can appreciate that there may be some need for an overhaul of the methods that are being used in processing these applications; however, it does strike me that the range of the types of proposed structures which come within the purview of the Navigable Waters Protection Act is of such vast magnitude, it is a rather difficult question on which to generalize particularly with reference to the matters which have been raised by other hon. members who have spoken on this side of the house concerning what discretion the minister himself should have. I must say that, as I read through the act, that was the question which immediately arose in my mind concerning just how advisable it is to make the transfer which is proposed from the governor in council to the minister.

I can see there are certain types of applications which will be made under this act which may be considerably over the $5,000 that is provided in one place and that could very well be decided directly by the minister without any great danger of anyone being hurt; but at the same time applications are being made under this act from time to time for proposed structures that can have an extremely significant effect upon the area in which they are proposed to be built. I think there is a real question as to whether or not it is advisable under those circumstances to have complete discretion rest with any one minister of the cabinet in a situation of that kind. One of the thoughts that occurred to me is that if this proposal of transfer to the minister is put through there should be coupled with it some provision in the act for an appeal to the governor in council under certain circumstances. As far as I can make out, this bill does not propose that; it leaves complete discretion with the Minister of Public Works, and the only form of redress which any group of citizens would have would be to exert sufficient pressure to force the resignation of the particular minister which would require his replacement by someone who might be disposed to reconsider the decision that has been made. I think those questions do arise and I am therefore very much in agreement with the suggestion made by my friend the hon. member for Kootenay West (Mr. Herridge) that this bill could very well be studied by the appropriate standing committee of the house.

I might say, Mr. Speaker, that when this act is being brought up for amendment there might very well be other matters which could be considered in committee as possible further amendments to the act that are not covered in the present proposed amendments.

I know, for example, that not so long ago a temporary obstruction to navigation was being created near the mouth of a certain river, and while the technical forms with regard to it, concerning notice of the closing of this stream to navigation and so on, were applied, the practical effect was that this stream was closed to navigation without any real notice having been given to those most concerned, those people who were going to be using it. That particular situation comes under another part of the act which is under the direction of the Minister of Transport (Mr. Marler), but if that sort of situation is being repeated in other parts of the country there might very well be room for a discussion in committee of an appropriate amendment to the act to cover that type of situation. This is one of those cases where notice was given in a paper nominally circulated in the district and, because it happened to be handier to put it in a paper that had very little circulation, that was where the notice appeared and as a consequence of that the people knew nothing about it until the obstruction was actually in place.

Coming back to the bill, at the moment I am interested in the part which suggests that approval may be given to structures which have been in place for five years. I am wondering if that provision will not give approval to a practice which exists already. I can remember seeing a structure put across a navigable stream and after it had been up a couple of months a notice appeared that so-and-so was applying for permission to construct such and such a work. This is another matter which might profitably receive a careful review by a committee of the house.

I think a study might also be made as to whether or not some division could be made in the types and categories of works to be approved by the Minister of Public Works alone and those which would require to go before the governor in council for consideration by the cabinet as a whole.

These appear to me to be some of the considerations involved in the amending bill which would warrant its being sent to a committee for thorough study when we could

have before us the technical witnesses who could deal with the matters involved.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, earlier in the session this matter was brought up by me in connection with a project which we had under way and I understood the minister to say at that time that an amending bill would be brought before the house at this session. I am going to discuss the bill only as it concerns my own area as beyond that I could only speak generally.

I think the bill may be criticized justifiably for giving power to one minister, but on the other hand where small amounts are involved I do not think enough discretion is given to the minister. I would refer again to the case I referred to earlier in this session. No matter what part of the house we sit in we are all interested in the economic development of Canada and if there is legislation that retards that development then it should be changed or more discretion given to the minister in order to take care of isolated cases. Perhaps "isolated" is not the correct word to use.

I am going to refer now to something which occurred in my own riding. Within 40 or 60 rods of my home there is a creek which is as wide as most rivers. It drains a great deal of farm land and where the creek empties into lake Huron it is probably 85 to 100 feet wide. After the spring rush of water is over the mouth of this creek fills up to a height of five or six feet with sand with the result that during the summer farm lands are flooded. We grow sugar beets in that particular area.

As I have mentioned on numerous occasions, the sugar beet growers are obligated to ship their sugar beets by train instead of truck in order to prevent the spread of nematode, which has been the curse of the sugar beet industry in some parts of the United States, particularly in Utah. This involves additional expense.

We had a project under way to keep open the mouth of the creek by building a jetty on each side with an "L" at one end which would permit boats to come in and at the same time prevent the sand from filling up the creek and stopping the natural flow into the lake. As a matter of fact the former Minister of Public Works had his engineer in London examine this project and he was favourably impressed, particularly with respect to the agricultural aspect.

In fact this project has been started but it is now at a standstill because they cannot get permission to continue, either under this act or under the previous act. I understand that other projects have been undertaken and completed on lake Erie and no doubt in other areas without the approval of the minister. In a case like this where a project has been undertaken to build a jetty to keep open the mouth of a creek and where permission was not obtained the minister should be empowered under the act to grant a permit in order that such a project might be completed. In this particular case they cannot get a grant from the provincial government until the project is legalized by the federal authorities, and apparently the project cannot be completed without a provincial grant.

There is another aspect to this project, that concerning our tourist industry. For some time the minister was in charge of our tourist industry and he knows how important it is for us to obtain United States dollars by that means. Facilities would be provided in this particular creek for probably 100 fair-sized boats to lie at anchor in the area provided by the jetty or further up the river where docking facilities would be available. I say without hesitation that that project would mean probably $100,000 a year to that particular area, and when I say that it would mean that to that particular area I mean that it would mean that to Canada as a whole. We should not scoff at $100,000 or more a year.

There is nothing in the act which would enable this project to be completed. It was started a year ago by the township and by the people of the area but they did not obtain a permit. They went as far as they could building the walls going out into the lake but when it came to obtaining a permit it was found that they should have obtained it before the work was undertaken.

This is one of many reasons why this bill should go to a committee in order that the act may be revised to take care of injustices such as this. Correction would mean, as I say, probably hundreds of thousands or even millions of dollars to the economy of this country. The bill is important. In my area I cannot reconcile myself to this situation. The Ontario government has leased a great deal of water area in lake Huron from Sarnia up to Grand Bend and in lake St. Clair and lake Erie. That is all navigable water. If the bill is not referred to the standing committee on railways, canals and telegraph lines, then perhaps we can have some explanation of that when we are in committee of the whole because there are hazards so far as navigation is concerned.

I repeat that when people want to undertake a project and it is possible to obtain a provincial grant to complete the project there should be authority under this act or some other act whereby the minister would be empowered to grant a permit in order that

the job can be completed and so that they can get the necessary funds. Private individuals cannot go to the township council or to the provincial government for additional grants because no permit can be granted under the act.

I say emphatically that the act should take care of such cases in order that projects of that sort can be undertaken and completed. We have there one of the greatest areas for the tourist industry in the Dominion of Canada. If we can increase our tourist revenue there and elsewhere in ridings all across the country it will mean that revenue will add up to a billion dollars instead of remaining static at a little over $300 million as it has now for several years, and it really means only about half that amount when we consider that the dollar is only worth 50 cents.

We must be realistic and undertake to develop the tourist industry. If through policies adopted by parliament the government can stimulate the tourist industry throughout Canada it will benefit the whole economy. We will then achieve our objective, but we are not going to do so if we sit back and ignore cases such as this which could be remedied by simply changing the wording of an act. Under the act a permit must be obtained in order to undertake work and yet at the same time I notice, as I emphasized a few moments ago, that even if a work has been constructed illegally approval can be obtained if it has been completed for five years. If you can grant a permit for a work constructed illegally which has been completed for five years, why not grant a permit for work begun last year? This is not a political matter. It is a matter of common sense, and I think we must apply common sense if we are going to get the best out of any legislation.

I hope that the bill can be referred to a committee. I dare say that it affects most of the ridings in the dominion. The standing committee on railways, canals and telegraph lines is one of the largest committees of the house, having 50 or 60 members, and I think we could get some very constructive ideas from those who would in the meantime give this bill further consideration. Even if we are unfortunate enough not to have the bill sent to the committee, I hope that in the meantime the minister together with his advisers will take upon himself the job of revising the particular section of the legislation which would empower him to grant a permit where work has been undertaken by a township or by responsible bodies and probably only requires two or three months to complete the job. In this one instance, as I say, it will probably mean $100,000 a year or perhaps a great deal more to that particular area and the same change in the act may mean millions of dollars per year to the economy of the dominion.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, in saying a word on the bill may I say that it brings to my mind the Newfoundland waters. What effect will the bill have on the Newfoundland waters which were controlled by the province until a couple of years ago? I ask the minister to make a statement on that situation. Other hon. members have talked about large bodies of water and large streams. I think this bill or one like it should determine what are navigable waters in the minds of the government because up until now they do not know. The Department of Transport will not classify a stream of water as navigable water unless it will take a motorboat or a tourist or commercial boat. I have gone to them about different streams in an effort to get a little work done and they have told me that they were not navigable waters and they would not have anything to do with them.

But when you go to the Department of Public Works they will call them navigable waters if they have enough water to fill a 4-inch pipe. I have a case in my own riding where there is no water for six months of the year. There would be no water at any time except that some 50 years ago a dam was erected to back up the water. But now one of these fellows who wears an iron ring, an engineer, comes and looks at it and classifies it as navigable water. Nothing has ever gone up there except possibly a canoe 50 or 60 years ago. No boat of any kind has been able to go up it since and no boat can do so now except at high water when there is water behind the dam. A boat cannot go there unless they drag it on the ground.

These engineers are clannish, and I give the minister credit. He depends on his engineers and he backs them up when they make wrong statements and form wrong judgments. However, I am probably like the engineers too. I like a fellow who will stay behind me when I am wrong, and that is the way the minister is so far as some of his engineers are concerned. He stands behind them when they are wrong.

Nevertheless, I think you should have some legislation to say what is navigable water and what is not because up until now the minister's department does not know and the Department of Transport does not know. Get your heads together and put something in the bill that will tell us what is navigable water and what is not. The bill should go to a committee because there are several important things involved. I may say to the minister that I had some correspondence with

him about the stream to which I have referred. He wrote and told me that it was navigable water. A child two years old could walk up there in his bare feet in the summertime. There is not one drop of water but still it is classed as navigable water.

The municipality and the provincial engineers put some tiles there to take care of the rise in the water when they put the logs in the dam. The water backs up into a slough. It never was navigable. It was a swamp. The timber was cut off 50 years ago and not a log was ever floated down the stream. An Indian might have gone up there at high water. Nevertheless, your engineer classifies it as navigable water. I wish the minister had the time to go and look at these things himself. He would see how stupid some of his engineers are. That place never was navigable water and is not now. The municipality put tiles there. The minister knows about it. I wrote a letter to him and he still claims it is navigable water.

The municipality will not take the tiles out. You will have to take them out, and part of the act provides for you to take them out. You had probably better send the army up there when you send an engineer to take them out because there is plenty of deep water there even if there is none in the creek.

I like one thing in this bill. It might give the minister a chance to use the telephone. The explanatory note states that the purposes of the amendments are to provide for approval by the minister, and to extend the exemptions. Subsection 2 states that this section does not apply to any work other than a bridge, boom, dam, aboiteau or causeway—I suppose that takes in creek—if, in the opinion of the minister, the work does not interfere substantially with navigation and if the value of the work does not exceed $5,000. This work I am talking about does not exceed $300 and it never was a navigable water and it is not now a navigable water. I would invite the minister up there. I will take him fishing or do anything he wants to do, if he will come up and have a look at it himself.

Mr. Murphy (Lambton West): You cannot fish in that stream, can you?

Mr. Hodgson: No; not for crabs. There is not enough water there for crabs or crayfish. There may be a few bugs.

Mr. Winters: I do not understand all this, Mr. Speaker. The hon. member will have to speak louder if he wishes me to hear him.

Mr. Hodgson: I like that part of the bill where, among the exemptions, it provides if the work does not interfere substantially with navigation. That is another reason why this bill should go to a committee. Then farther down, in section 4 we find these words:

> (a) if, prior to commencement of construction, the minister, having been satisfied that the work was urgently required, consented in writing to commencement of construction; or
>
> (b) if five years have elapsed since completion of construction of the work;
>
> and such approval has the same effect as is given prior to commencement of construction of the work.

That should be changed to two years. Why do you want five years in it? I know these engineers are fairly slow, but I do not think it will take them five years to look at a thing like that. They could do it in two years or less than two years. Let us make it two years. A great many changes must be made in this bill. It needs a greater opportunity for examination than we are going to be able to give it here in the House of Commons. I would therefore ask the minister to send this bill to the committee on railways, canals and telegraph lines.

Mr. G. S. White (Hastings-Frontenac): I just want to ask the minister a question before he replies. I shall be brief. Following up what was said by the hon. member for Victoria, Ont. (Mr. Hodgson) with respect to the definition of a navigable stream, and after reading what is said in the act, may I ask the minister to say whether there are some waters or streams which are regarded as navigable streams controlled by the province, or are all navigable waters controlled by the federal government? If all navigable waters are controlled by the federal government, how do you go about getting from the minister a decision as to whether a certain body of water is or is not a navigable stream? As the minister is no doubt aware, at least in the province of Ontario the question of whether or not a certain body of water is a navigable stream entails certain rights with regard to traffic and fishing. I for one would be greatly interested if the minister, in his reply, would tell us as plainly and frankly as he can just what is a navigable stream.

Mr. Deputy Speaker: If the minister speaks now he will close the debate.

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I wish to thank all hon. members who have taken part in this debate because I think they have shown the two sides of the question as they exist here. Some hon. members thought that the provisions of the bill now before us go too far whilst others feel that they do not go far enough. Those have been the reasons why the government felt it necessary to ask for amendments to this old statute at this time. The applications are being received at the rate of about 300 a year and that number is on the increase. Most of these applications

are in respect of works of a minor character. One hon. member suggested that it might be wise to form some sort of committee with provincial representation on it. In that regard I would remind hon. members that the majority of applications received are made either by or on behalf of some provincial government. It seems to me that the category that comes before us most frequently is that of applications having to do with transmission lines passing over some navigable water.

I gather that there is no serious criticism of the powers being sought in this amending bill. The question which occurred in the mind of the hon. member for Vancouver-Quadra (Mr. Green) and in the minds of others is whether the powers being sought should be administered by the governor in council or by the minister. I can tell hon. members that it is a comfortable position for any minister to be in to be able to refer matters to the governor in council. But that is not always the best way or the most expeditious way in which to discharge the responsibility which is simply, in this case, the administration of the provisons of the act. The governor in council is a committee of the cabinet and not the full cabinet, as some hon. members seemed to think. Another question raised was the matter of urgency.

Mr. Knowles: How many are members of that committee?

Mr. Winters: Four constitute a quorum.

Mr. Knowles: To talk about a quorum is a different thing than to refer to a committee of the cabinet.

Mr. Winters: Is my hon. friend asking a question or making an assertion? I do not care which it is. It is all right with me. The question of urgency was raised and hon. members rightly queried whether any urgency was great enough to warrant the authority being given without the necessary approval under this statute. We have had some cases where the question of urgency arose. For instance, in the constituency of my good friend the hon. member for Fort William (Mr. McIvor),—

Mr. McIvor: That is right.

Mr. Winters: —last year a main broke under the Kaministikwia river. It was necessary to obtain authority under the Navigable Waters Protection Act to develop an alternative structure to carry the main under that river. With winter coming on it was absolutely essential that that work be put in at the earliest possible moment. There are other such cases. It is true that they are rare. It is also true, what the hon. member for Vancouver-Quadra has said, namely that we should think very carefully before sacrificing any of the rights on navigable waters.

As to whether or not the federal government has jurisdiction over all navigable waters, I understand that under the British North America Act that is the case. As to what constitutes a navigable water, it is often difficult to decide. There are various means of navigation, and what is navigation in the eyes of the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) and in mine might be quite different from what constitutes navigation on a stream remote from the sea and farther inland. All these rights must be protected. We have places where there are small streams and where people are in the habit of travelling on them from time to time by canoe. We have had instances where farmers have built a fence across a stream, thereby denying other local residents a chance to pass along the stream by canoe. To a seafaring man, that might not seem to be very important navigation but to those people who use it for their ordinary day-to-day activities, it is important. All these things must be considered.

As to consideration by a committee, I know hon. members are aware of the fact that this bill has already been before the other place, that it was considered carefully there in a committee and that it has been referred to us in this house with one minor amendment. We are now about to go into committee of the whole and I am quite prepared to have hon. members ask any questions they see fit to ask. I think they can be assured of the same diligent consideration here by all members as is customary in committee of the whole house.

Mr. Green: But witnesses cannot be called.

Mr. Winters: I would therefore simply conclude by thanking hon. members for the part they have taken in this debate and to tell them that, in my opinion, this bill is the best compromise with regard to a situation that obviously necessitated a change in the face of conditions as they exist in Canada at the present time.

Mr. Green: May I ask the minister a question? Do I take it he is unwilling to have this bill go to the standing committee on railways, canals and telegraph lines?

Mr. Winters: I am of the opinion that the necessary consideration can be given to this bill in the committee of the whole house.

Mr. White (Hastings-Frontenac): Would the minister answer a question? How does his

department ascertain whether or not a small stream or inland lake, whatever it may be, is a navigable stream?

Mr. Winters: So far as we are concerned in this department, Mr. Speaker, it is a matter of the use that is made of the particular stream and also, of course, the size of it and the potential use that may be made of it. There are a variety of factors, but I would rather err on the side of saying it is navigable than saying it is not navigable if there is any doubt.

Mr. White (Hastings-Frontenac): Take my own district, in which there are hundreds of lakes, some of them perhaps a couple of hundred miles around, but which are only used as tourist resorts. There is no lumbering there. Would the minister say, offhand, if those would be navigable waters which would come under this act?

Mr. Winters: Yes, I would think so, without examining a particular case. If the lake or river is capable of navigation, then it would come under this statute.

Mr. White (Hastings-Frontenac): Then, what is navigable?

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

YEAS

Messrs:

Applewhaite	Huffman
Ashbourne	James
Batten	Jutras
Benidickson	Kickham
Bennett	Kirk (Shelburne-Yarmouth-Clare)
Boisvert	Lavigne
Bonnier	Leduc (Gatineau)
Bourque	Leduc (Jacques Cartier-Lasalle)
Bruneau	Leduc (Verdun)
Buchanan	Lusby
Byrne	MacEachen
Campney	MacKenzie
Caron	MacNaught
Carrick	Macnaughton
Carter	McCann
Cauchon	McCubbin
Cavers	McCulloch (Pictou)
Clark	McIvor
Cloutier	McMillan
Denis	Marler
Dickey	Masse
Dumas	Menard
Eyre	Meunier
Fairey	Monette
Fraser (St. John's East)	Philpott
Garland	Pickersgill
Gauthier (Nickel Belt)	Pommer
Gour (Russell)	Proudfoot
Habel	Reinke
Hanna	Richard (Ottawa East)
Hardie	Richardson
Harris	Robertson
Henderson	Robinson (Simcoe East)
Hollingworth	Ross
Houck	St. Laurent (Quebec East)
Howe (Port Arthur)	Schneider
Viau	Shipley, Mrs.
Weaver	Simmons
Weir	Stick
Weselak	Valois
White (Waterloo South)	
Winters—82.	

NAYS

Messrs:

Aitken, Miss	Jones
Barnett	Knowles
Blackmore	Leboe
Blair	Lennard
Bryce	Low
Cameron (Nanaimo)	MacInnis
Casselman	Murphy (Lambton West)
Charlton	Nesbitt
Churchill	Nowlan
Dinsdale	Pearkes
Fairclough, Mrs.	Quelch
Fleming	Regier
Green	Stanton
Hahn	Stewart (Winnipeg North)
Hamilton (Notre Dame de Grace)	Thatcher
Hamilton (York West)	Trainor
Hansell	Tustin
Harkness	White (Hastings-Frontenac)
Hees	White (Middlesex East)
Herridge	Yuill—42.
Hodgson	
Howe (Wellington-Huron)	

Bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Minister.*

Mr. Green: Mr. Chairman, I was somewhat amazed when the minister in charge of this bill who is at the same time the minister who will be given these very drastic powers, refused to agree to have this bill referred to a standing committee of this house for consideration. One excuse he gave for taking that stand was that the bill had been considered in the other place. I have here the Senate *Hansard* containing the discussion on the bill, and it occupies about two pages. We have had—

Mr. Knowles: That is a full discussion for them.

Mr. Green: As the hon. member for Winnipeg North Centre says, that is a full discussion in the other house.

Mr. Winters: A committee studied this bill.

Mr. Green: I presume it went to a committee in the other house, as all their bills do, but I do not believe we have any transcript of the evidence that was taken in that committee of the other house, if any was taken. I very much doubt whether there was a very full examination of the measure, and it is going pretty far when a minister in

this house says that one of the standing committees of the commons, and a good committee—I call the hon. member for Fort William as a witness to that statement—

Mr. McIvor: I agree with the hon. member on that.

Mr. Green: —a good committee should not be given the opportunity to consider this bill. If it had been sent to a committee, then we could have had the Minister of Transport, the Minister of Public Works and some of the other ministers who are concerned; we could have had the deputy ministers; we could have found out just what are the difficulties. But oh, no; this Minister of Public Works, acting in the same dictatorial manner that we are witnessing so often from this government this year, acting in just that same way, brushed aside the request made from every party in the opposition that the bill at least be sent to a committee. He brushed that aside and said "No, we will give it second reading now and then you will have a chance to ask me some questions when it goes into committee of the whole." It is just about time the Canadian people realized what is going on in this house. Here we have a bill which has been on the statute books of Canada for many years, one of the most important bills on our statute books, yet the government is prepared to have the heart torn out of the statute without even having it considered by a committee. I submit that the minister is absolutely unreasonable in his refusal to let a committee of this house consider this bill. Even yet it is not too late for him to change his mind and do that, give the committee a chance to deal with the bill as it should be dealt with. Just to have it rammed down our throats in the way that has been done this afternoon is not good enough.

There are other members who can deal with different aspects of the bill, but I point out to the minister again the situation with respect to the harbours of Canada. It is all right to try to justify this on the basis that some little stream requires a ruling under this act because a canoe is going to go up that stream. It is all right for the minister to put that forward as his excuse for having control of all the operations under the act, but the matters that are really vital under this statute are the multi-million dollar piers and works of that type that will be erected in different parts of Canada. That is where the real issue lies, and the decision on those important works should be left in the hands of the cabinet.

It may be that there should be amendments made so the minor works could be handled by the minister without having them submitted to the cabinet, but there is no excuse whatever for giving the Minister of Public Works or any other single minister sole power to decide whether or not a million dollar pier is going to be placed in one of our harbours.

That condition may arise in Vancouver, and the Minister of Transport, who has charge of the national harbours board, should be in on that picture, and so should the ministers representing British Columbia in the cabinet. Those questions are too important to be decided by one minister and certainly by a minister from another part of the country who really has very little knowledge of what conditions are to be met, and who cannot be in a position to understand what is reasonable in a port in another part of Canada. This applies not only to the national harbours but also to the other harbours to which I referred.

I have here the annual report of the Department of Transport for the year ending March 31, 1955, and we find the following at page 71:

> Harbours Administered by Harbour Commissioners.
> There are seven harbour commissions as follows: Belleville, Hamilton and Toronto in Ontario; Winnipeg-St. Boniface, Manitoba; New Westminster, North Fraser and Port Alberni in British Columbia.

And then we find this report:

> General supervision is exercised over the affairs of the commissioners and all by-laws are submitted for approval of the department before submission to the governor in council for confirmation. The commissioners make by-laws concerning navigation, rates, tolls, penalties, etc. They also administer water lot transactions affecting federal property within the harbours, the accruing rental forming part of the harbour revenue.

They do all that under the Minister of Transport, yet once this bill has been passed the sole jurisdiction will be with the Minister of Public Works. The Minister of Transport will not have the slightest authority to say anything about this. There is no responsibility to give him any information; there is nothing in the bill to require that, and because it does not go to the cabinet there is no way by which he can know, unless the Minister of Public Works places it before him. Even then the Minister of Transport has absolutely no responsibility, because under the bill all the responsibility is given to the Minister of Public Works.

For the life of me I cannot understand why the government wants to place the full authority in respect of these works—which are really big works, and which may affect the economy of large segments of Canada—in the hands of one minister. I submit that is contrary to our whole parliamentary belief. It is contrary to the way in which the

government of Canada has been run. In my judgment it is just another example of the fact that this government has been in power so long and has such an overwhelming majority, that the members of the cabinet simply have a contempt for parliament, a contempt for the opposition and in effect a contempt for the wishes of the Canadian people.

Once more I urge the minister to withdraw his dictatorial and unfair action in refusing even to have this bill sent to the standing committee on railways, canals and telegraph lines. It is still not too late for him to do that. That is the proper way in which this bill should be considered, and it is the proper way to have it amended. The bill as it stands today is not right, and I believe there are ministers in the cabinet sitting opposite right now who realize this bill is not right in its present form. The only way it will be adequately amended is if it can be referred to the standing committee.

Mr. Barnett: Mr. Chairman, like the hon. member for Vancouver-Quadra I was quite disappointed at the action of the minister in refusing to allow this bill to go before a standing committee of the house because, as I attempted to point out in the few remarks I made on second reading, it struck me as being the type of bill which could very profitably receive the kind of consideration that is possible only in a standing committee, where it is the practice to have such people as deputy ministers appear to answer our questions and give us detailed information concerning the administrative problems the proposed bill is presumably designed to correct.

I think everyone realizes it is difficult for members like myself, who are interested because we live in areas where there are substantial quantities of navigable water, to consider in committee of the whole house amendments to a bill of this type if we are not satisfied that it is entirely as it should be, but in the standing committee we have an opportunity of obtaining more detailed information on the basis of which we can judge whether or not any objections we may have are well founded. For that reason I must say I share the views of the hon. member for Vancouver-Quadra in this connection.

I do not think there is much more I can add concerning clause 1 of the bill because it simply designates that "minister" means the Minister of Public Works. As I understand it, that designation of the Minister of Public Works applies only to the part of the Navigable Waters Protection Act which heretofore has come under his general jurisdiction.

I hope that as we proceed, inasmuch as apparently we are not going to have the bill sent to the committee, the minister will be prepared to give us some detailed explanation of the various changes that are proposed.

Mr. MacInnis: I just want to add my protest to those of hon. members who have already spoken concerning the fact that this bill is not going to be sent to the appropriate committee.

I think it is one of those little things which, if it were done, would help to remove the frictions that almost inevitably occur in a place like this.

As I read the bill, the main change is the transfer of the authority which previously was in the governor in council to the minister. I do not know whether that is a good or bad thing. Possibly with the present minister in charge of the department it might be all right and there would be no need to worry, but ministers come and ministers go. While we might all be quite happy to leave these regulations under the control of the present minister there might come a time when there was a minister in charge of the department about whom we would not be so pleased. Is the Minister of Finance raising an objection?

Mr. Harris: None whatever.

Mr. MacInnis: Referring the bill to a committee would not unduly delay it. If anything it would facilitate the other business of the house, because while this bill was being considered in committee the house could be dealing with other business. When the bill came back to committee of the whole it would probably go through with little discussion. I am sorry the minister did not see his way clear to refer it to the committee on railways, canals and telegraph lines. Since he has not done that I imagine the best thing to do is for hon. members to attempt to bring out all the relevant facts while we are considering the bill clause by clause.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, the question in my mind at the moment with regard to the bill and the clauses thereof is whether the Prime Minister has so far renounced his control over his cabinet and the affairs of this country that he leaves it to individual ministers to bring in measures of this kind which would redivide or reallocate authority within the cabinet which had previously been held by the cabinet as a whole. As the hon. member who has just resumed his seat pointed out,

one of the cardinal features of this bill is the transfer of authority from the governor in council to a specific minister. The sponsor of the bill is the minister to whom authority is being transferred.

It is a most peculiar and unusual situation to find that the man who has the primary responsibility for the present government and for the present cabinet is not even interested enough in the various responsibilities of his ministers to sponsor or comment upon a radical change of authority within the group which he controls. At the present time we are fortunate in that the right hon. Prime Minister is in the house. To say the least I think it would be appropriate and helpful if he would signify that he also approves of this transfer of authority within his cabinet. Are we going to have from time to time other bills of this nature sponsored by individual cabinet ministers which break down the authority of the Prime Minister, which parcel out among themselves responsibilities which ministers are to have, which grant to ministers authority previously vested either in parliament or in the cabinet? I should like to know whether the Prime Minister approves of this transfer of authority from the cabinet as a whole to this individual minister.

Mr. Murphy (Lambton West): Mr. Chairman, perhaps this will be the only opportunity I will have to refer to a matter I referred to earlier. When I suggested that the minister should be given more latitude and power I did not mean that to apply to projects such as have been mentioned this afternoon. But as I said, with minor things there should be latitude, especially when the project has already been started. In the particular case I referred to they will not be able to get any assistance from the municipal or provincial governments until a permit is granted. Discretion should be with the minister in order that this project may be undertaken.

I am going to ask the minister if in cases like this he will undertake that a permit will be granted. I am not going to repeat the argument I made earlier, because time is valuable; but I mentioned that the completion of this project might bring $100,000 or perhaps several times that amount each year from the tourist industry.

A point which I did not make a while ago is that there will be no cost to the federal treasury. It will run about $10,000 or $12,000 to complete the project, but they did not apply for a permit and they cannot go ahead. They are stymied, the tourist industry is stymied, and the sugar beet growers still have to ship their sugar beets by train instead of by truck, which means additional cost. We do not want to do anything to handicap the agricultural industry in Ontario. This could be taken care of by a simple rewording of a particular section of the act.

I do hope the minister will see his way clear, not only in the case of this particular project, which is important to this area, but in all such projects that there is some latitude in interpreting the act, or that an amendment is made to make the granting of a permit possible. If this additional revenue came into that particular area it would be of great assistance and would also assist our agricultural economy.

Let me repeat that it is not going to cost the federal government anything. We do want a permit to be granted so the township council can go ahead and complete this project. It may involve $10,000 or $12,000 but it will not cost the federal treasury anything and the return will be perhaps 10, or 15 or 20 times the amount spent. These people are most anxious to have the work undertaken and they are sorry, as I am, that there is no provision under which they may obtain this permit. I do hope before the bill is finalized the minister will consult with his officers and in some way see that authority is granted so projects like this can be finished.

There is one other aspect to this matter which I did not think of when I was on my feet before. As I said, the mouth of this creek fills up to a height of 5, 6 or 7 feet. The Department of Agriculture has some pictures which were taken some years ago when we endeavoured to prevail upon the Minister of Agriculture to do something to prevent the spread of this nematode disease, which is the curse of the sugar beet industry and which is brought about by the flooding of hundreds of acres of farm land.

This is the point I have in mind. Of course I was referring to lake Huron as navigable water, and there has been reference to other navigable streams which are apparently a great deal smaller than the one I have in mind. What is the responsibility of the federal government for damage to property because of the closing of the mouth of this creek? It closed up long before the present project was started, so the fault does not lie in what has been done. However, because there is no protection to prevent the sand from coming in and closing up the mouth of the stream, which is about 75 to 100 feet wide, the farmers are losing thousands and thousands of dollars on account of the flooding of their land. I am wondering who is responsible. Is it the federal government because they are not doing what can be done?

The difficulty can be overcome. All you need do is see that they get a permit to complete the job. This is only one of these instances. It is something that may happen in my riding today and in your riding tomorrow, but I say in all seriousness that I sincerely hope the act can be amended, because there may be many other such incidents. No expense whatever is involved so far as the federal government is concerned. All we want to get from the federal government is the authority to do the job.

Mr. Herridge: Mr. Chairman, like other members who have spoken I regret that the minister has not agreed to send the bill to the committee on railways, canals and telegraph lines; and I am not taking that position just to be awkward. There are federal and provincial jurisdictions that are related to the bill. I know that in my own district lumber companies that want water lots for booming grounds have to approach the lands branch of the department of lands and forests of the government of British Columbia, advertise, and go through certain procedures. When they have the booming ground they have to drive dolphins and piles to hold their boom chains so they can contain the logs.

There is a lot of misunderstanding as to what is legally necessary in securing these properties, what is under the jurisdiction of the provincial government and what is under the jurisdiction of the federal government. Therefore I think if the bill had gone to the standing committee we would have had the opportunity to listen to the minister's officials and to the legal advisers. There would have been clarification of the relationship, shall I say, between the federal and provincial jurisdictions, and that would have been of advantage to many who are interested in building structures and other things that will come under the terms of this legislation.

Seeing that the bill is not going to the standing committee, I wish the minister would give an exposition to the committee of the procedure necessary under the circumstances I have outlined.

Mr. Winters: The procedure necessary to obtain approval under this statute for a work in a navigable water? Is that what my hon. friend has in mind?

Mr. Herridge: A work in a navigable water or lake. Here is a company which wants to establish a mill and a booming ground. It gets its water lot from the provincial government. Then it has to drive piles and dolphins and erect other structures to contain the logs for the mill. In some cases the companies, after having obtained the required licence for the water lot from the provincial government, go ahead and drive piles and put in dolphins without any reference to the federal government. In other cases other companies follow the procedure necessary under the terms of the act. Would the minister tell the committee what procedure should be followed by a company—I have some knowledge of what I am talking about—which intends to establish a booming ground and has obtained a licence from the provincial government with respect to a water lot in the area concerned?

Mr. Winters: They must make application under this statute and submit plans and a description of the site to the Minister of Public Works. Then they must publish notice in the *Canada Gazette* and in two local papers; and the notice has to be given for a period of a month. Then the Minister of Public Works considers granting the application. That is a simple procedure. There are exceptions provided by this statute in cases of urgency, but generally speaking the procedure is the one I have outlined.

Mr. Murphy (Lambton West): Before the clause carries, would the minister answer my question?

Mr. Knowles: Would the minister not have saved time by sending this to the committee?

Mr. Harkness: I was particularly interested in the question raised by the hon. member for Hastings-Frontenac with regard to what constitutes navigable water, and I must say the explanation the minister gave still left me in some considerable doubt as to what is navigable water. I am particularly interested in this matter as far as streams are concerned, especially where a stream flows through a man's farm or ranch.

I should like to know from the minister whether there is any definition in the Navigable Waters Protection Act or elsewhere in the Transport Act as to what constitutes a navigable stream. Is there a minimum width or anything along that line? In other words, is a small stream 5, 10 or 15 feet wide, which happens to run through a man's fields, interpreted as being a navigable stream because you can push a canoe or a small rowboat up it or even a small boat with an outboard motor? As a result is the farmer in the position that before he can put a bridge across the stream or do anything else along that line in order to enable him to carry on his work, he has to apply to the minister in order to get permission to do it?

So far as I know, this sort of thing has been done on these small streams more or less from the beginning in Canada, but as I read the act it would seem to me that with respect

to such a stream the man would have to ask permission of the minister. He would have to get his consent, file plans and so forth before he even put a fence across the stream, let alone anything else. Would the minister comment on that?

Mr. Winters: Size is not much of a criterion in determining whether or not a stream is navigable, and I do not know of any specific definition which delineates the navigability of any water. It is generally held that water is navigable if it is capable of being navigated for the trade and commerce of the area. Beyond that, it is a matter of judgment as to whether that is the case. That is the situation.

Mr. Nesbitt: In view of the minister's last remarks as to the interpretation of "navigable", may I say that I know of areas in western Ontario where numbers of rafts have been put in streams in order to move cement and other things to the other side, and I presume the minister would consider those streams navigable. Before the bill goes through this stage would the minister consider having some of his assistants or possibly someone from the Department of Transport draw up a definition of what a navigable water is, even if the definition is broad, to be included in the interpretation section; because I think more and more this matter will become a subject of public interest and attention. I cannot see any reason why some definition cannot be put in the interpretation clause.

Mr. Hamilton (York West): Mr. Chairman, I think we could tell the hon. member for Calgary North that the old swimming hole is going to disappear under this legislation. I would think the minister probably will be making decisions with respect to whether boys can build the necessary dams or whether or not they can be given the authority.

Mr. Nesbitt: How about beaver dams?

Mr. Hamilton (York West): It seems to me that the hon. member for Vancouver-Quadra, who said he was surprised at this action being taken by the minister, really was not stating his true feelings about it. I do not think any one should be particularly surprised that this type of legislation is being brought forward by this government. As I see it, this is just further evidence of adherence to the cult of "get things done".

Some hon. Members: Hear, hear.

Mr. Hamilton (York West): Don't applaud too soon over there. As I say, this is just further evidence of adherence to the cult of "get things done", regardless of what happens in the process. What happens to the ordinary course of parliamentary government does not seem to make much difference to the members opposite.

Mrs. Shipley: Nonsense.

Mr. Hamilton (York West): At least the committee is perking up, anyway. I heard somebody over there make reference to the fact that we were in committee now, and that is the first sign that we are. Prior to that you were sitting mildly by and you would let any of these sections go by without a word.

In any case, this is just a further indication of the trend that we had last year in the defence production debate. As will be recalled, it was not a case of handing over powers to the governor in council in connection with that legislation, it was a case of handing them over to the minister himself. Here is a further step along the way.

It seems to me, Mr. Chairman, that the members to your right have not learned any particular lesson from what happened last year or given any indication that there is some sign left of cabinet responsibility in connection with legislation of this type. I think that is the important thing. If we continue this trend we are going to have a great many individual cabinet members who, it may be said, are responsible to the Prime Minister but who in fact are no longer going to be responsible to this house. If it is the type of government in existence in the United States that you want here, I say we are certainly going a long way down that line; but it is far removed from the principles of British parliamentary institutions that heretofore have been the guiding light for this institution.

It seems to me, Mr. Chairman, that it would not have been too tough for the minister to have differentiated, to a certain extent, between the various types of activities that he is going to carry on here. I note that in one case he has been able to set a limit of $5,000 on the construction to take place and has said that in that case it will be done in a certain way, and that over and above that amount it will be done in some other way. If he intends to acquire these powers himself, surely he could have gone one step further. If it is necessary to remove it from the intricate, day to day handling of things in this house, he could have put some other type of ceiling on the activity where he could have handled it himself, and we could have had some indication then that over and above that figure we would be back in the position of having cabinet responsibility.

After all, that is the way we expect things are going to be done. We cannot examine

every individual item which comes along. But I think we sitting over here in the opposition have the right to expect that the responsibility is being taken by all the gentlemen on the treasury benches, and that it is not being carried on by one man alone. Hence I say that here is a piece of legislation that could have been submitted to the committee.

I might say this. The hon. member for Vancouver-Quadra, when he said he was surprised, may have been surprised because it was this particular minister who was doing this to us. But certainly here is a piece of legislation that could easily have been submitted to the committee. As a matter of fact, Mr. Chairman, I might say that it would have received there some careful examination from the members on the government side as well. I have found that in committee they have just as many questions to ask as anyone else. It would be a good thing for this legislation to go there to be considered and then receive the stamp of approval of the whole house. But let us not go down this road to which I have referred, step by step. Here again is a place where a check can be put on this type of government. Let us think very seriously about it.

Mr. Hees: Mr. Chairman, I think one of the things this bill shows most clearly is that you get far better legislation when it is drawn up by a Conservative government than you get when it is drawn up by a Liberal government. The original act stood for 70 years and it evidently pleased everybody. This act that is just being introduced pleases nobody. I think it is obvious that this bill should have been brought before the committee on railways, canals and telegraph lines in order to allow it to be examined, in order to bring before that committee the deputy ministers and the ministers themselves, and to let the committee give the bill—one as important as the minister has said this is—a thorough examination.

What this bill does is concentrate power in the hands of one minister. We have become accustomed to this government ignoring parliament. Now the government even wants to ignore itself. It does not even want to examine measures. It wants to have one minister do the whole job. Obviously in matters pertaining to the protection of navigable waters there is one minister who certainly should be brought in on those discussions, and that is the Minister of Transport. He is the one who is primarily responsible for preserving the navigability of these navigable waters.

As a member from Toronto I object particularly to the fact that this legislation gives the Minister of Public Works the right to say what works can and cannot be built in Toronto harbour. That is now an important harbour and it will be more important in the future. I think it is completely wrong that the Minister of Public Works has the complete say, without consultation even with the Minister of Transport, in an important harbour such as that and in other important harbours across the country, as to what works can and cannot be built.

I think it is obvious that this legislation should be brought before the committee. I am surprised that the minister, who is usually reasonable, has been so unreasonable in this case. It makes one wonder, Mr. Chairman, what is the matter with this committee on railways, canals and telegraph lines. It is a perfectly good committee. It is supposed to examine legislation of this kind. But all this government seems to do with respect to this committee is ignore it.

We had an example of that in the last few weeks. The pipe-line bill should have been brought before this committee and examined. The committee was ignored in that case. Here we have a bill which the Minister of Public Works says is one of the most important pieces of legislation we have. Once again an important piece of legislation is not brought before that committee for examination. What is the matter with the chairman of the committee? Have the government no faith or no confidence in him? Do they not think he could do a proper job?

I should like to hear from the Minister of Public Works what his objection is to having this measure properly considered, and why he thinks that an examination by the committee would not be beneficial in this case.

Mr. Winters: Perhaps I could answer that question by asking the hon. member what he has against the committee of the whole? What makes one committee better than another committee? I know the answer he will give—

The Chairman: Order. In any event, the decision of the house has been that we deal with it in committee of the whole. I really think we are somewhat out of order in discussing the matter of referring the bill to a committee at this stage. After all, we are dealing with clause 1 of the bill.

Mr. Harkness: The committee can always change its mind.

Mr. Winters: I simply wish to remind hon. members that this bill has already been before a committee of the other house, where witnesses where heard. This is the second

time that the bill is before a committee, and in my opinion a very good committee. Any questions that are raised can be answered here; so I think it is quite wrong to give the impression that this bill is not receiving adequate consideration by committees of parliament.

Mr. Hees: The minister has asked what objection I have to the committee of the whole house. It is simply that we cannot call witnesses before this committee. We cannot have the deputy minister or other witnesses whom we would like to call before the committee for examination.

Mr. Winters: The Senate committee had that privilege.

Mr. Hees: Mr. Chairman, you do not really consider that committees of that rest home down the hall give any kind of consideration to any measure?

The Chairman: Order. The hon. member well knows the rule with reference to the other place, and I think he would wish to reconsider those words.

Mr. Hees: Perhaps I could adopt the suggestion of the hon. member near me and call it a quiet haven.

Mr. Nesbitt: Apparently in this committee we are discussing a bill to amend the Navigable Waters Protection Act. It seems to me that nobody, including the minister, knows what navigable waters are or can define them. I certainly do not think it unreasonable that the minister be asked to insert a definition or interpretation, whatever he likes to call it, of navigable waters in this bill, so we will know what we are talking about. Apparently that is the situation now; we are talking about something and none of us knows what it is.

Mr. Charlton: As the hon. member for Oxford has just stated, it is certainly essential that we know what this bill means. In order to know what the bill means, we must know what a navigable stream is. It has been said that the C.C.F. party to our left are Liberals in a hurry. I believe the Prime Minister made that statement. I do not think they could be in any greater hurry than this government is now. The time the measure would take in committee would be very small in comparison to the amount of time that would be saved after it had been considered in committee.

The disease of power seems to be very infectious. We thought the Minister of Trade and Commerce was the only one who was so desirous of having these powers, but apparently now other ministers are coming along—probably it is the result of jealousy—and asking for these powers. The disease seems to be very infectious. Other ministers are desirous of getting this particular power. I might say to the minister that under the terms of this bill he will have complete power over the St. Lawrence seaway.

Mr. McIvor: No, no.

Mr. Charlton: The reference in the bill is to any rebuilding, repairing or altering. After the seaway is built I presume some day it will have to be repaired, rebuilt or altered. The terms of this bill would give the minister charge of that part of the seaway.

I have the honour of representing a riding which includes the most of the Grand river, or a far greater percentage of it than any other riding. I presume the Grand river is a navigable water, so it seems that the minister could rip out any dam or tear down any of the things that are there now and would not have to ask permission to do so.

The hon. member for Calgary North mentioned a small stream running through a person's farm. I have a small stream running through my farm. I would not consider it navigable, but there are parts of it in which a canoe could be floated. There are other streams that I am sure could be considered navigable which run through farms, and does that mean a man could not put a line fence across the stream without getting the minister's permission? It would also mean that the minister could come along and tear down that fence if it were put up without his permission. A neighbour could complain that the fence had been constructed without permission and have it torn down.

There are many farms on which it is necessary to put a bridge over a stream in order to get to the farm buildings. Does this mean such people would have to go to the minister to get permission to build a bridge? It seems ridiculous. If the minister would give us a logical reason why he wants all these powers it might be different, but he has not given us that logical reason.

Mr. Nesbitt: I do not like to keep pressing this point, but I think we are entitled to an explanation from the minister as to why he will not put in the bill some definition of what the word "navigable" means. If all these extra powers are to be given to the minister, it certainly seems sensible to me that some definition or explanation should be inserted in the bill as to what the word "navigable" means.

Mr. White (Middlesex East): I did not intend to get into this debate at all, but a question now arises in my mind as to the river Thames. I have always understood that it

was navigable as far as Chatham, but I am wondering whether you are going to include London, and if so if you are going beyond London to the Fanshawe dam. What effect is that going to have on the water resources committee of the province of Ontario? I think this is rather hasty legislation and we should know a little more about it before we are asked to pass it.

Mr. Cameron (Nanaimo): I wonder if the minister could tell us if he knows of any court judgment that may have been rendered with regard to waters being navigable within the meaning of the act. I have in mind this. I was wondering what the proceeding would be, for instance, if some person on a stream erected some work and another resident of the district objected to it on the ground it was being erected in navigable waters. Presumably if that were the case, after having appealed to the department to give some ruling, if the minister gave the same answer that we did not know what navigable waters were, then presumably that person would have recourse to the courts to prevent these people from doing that. If that were the case, would the department play any part in that litigation? Would they have representatives there? Is there a case in which the department has had to get a court judgment with regard to whether or not a stretch of water comes under this act?

Mr. Winters: In my relatively short experience with this statute I know of no case in which we have actually been in court. I understand there is one pending now in western Canada, in which the department ruled that a certain structure could not be built over a stream because it was navigable. This is being contested, and I would imagine the officials of the department would appear if the case is taken to court. It has not yet been taken to court, but I understand that is being given serious consideration.

Mr. McIvor: I do not want to say very much, but I do know that if we had had to wait for a cabinet meeting in Fort William it would have cost Fort William many dollars. Money is just as valuable up there as it is in Ottawa. I was going to ask the minister how many cases he had dealt with in the past year. I think he said there were 300, all under $5,000.

Mr. Winters: No, I would not say that. There have been over 300 applications, and a number of these exceeded that amount. But most of them were for small projects.

Mr. McIvor: I do not think it necessary, no matter what the opposition says, to call a cabinet meeting to spend $300 or $400 on a small project. The government would not do very much else if they had to call a cabinet meeting for each of these applications.

Mr. Murphy (Lambton West): I think the hon. member for Fort William is under a misapprehension as to what we are saying. We are asking that this bill be referred to the committee on railways, canals and telegraph lines. I suggest to the minister that during the dinner hour he might look up an old case of which I have a faint recollection, because we must have a definition of navigable water before we can pass this bill. There is an old case. As I recall it—the river Thames was mentioned a few minutes ago—one of the litigants was Williams, and it concerned the river Thames and its navigability above Chatham. It concerned the taking of gravel two or three miles above Chatham at a place called Kent Bridge. That was supposed to be the end of the stream's navigability. Whether that case would help I do not know. It certainly sounds like common sense to me.

When the bill was discussed in the house the hon. member for Victoria (Ont.) expressly stated that in his riding there was a little stream the water of which is now being carried down by two tiles; yet the minister's department calls it a navigable stream. It may be navigable for muskrats to run races in. How can we accept that as a navigable stream? It is beyond my comprehension and I am sure it must be beyond the comprehension of all hon. members in this house.

We must know what is a navigable stream. Is it a stream going through a farm? As has been said here, it is going to be necessary for the farmer to get permission from the department to build a bridge or to build a line fence. The thing is ludicrous until we know what the definition is. Surely the Department of Justice, or the legal advisers in the minister's department, can tell him what a navigable water is so we shall have it on the record. We are dealing with a very important subject, and until we know what the definition is we should not be asked to pass this bill in its present form. Before this bill passes the minister should give me an answer to the problem that is being faced in my particular riding.

Mr. Winters: I have already said that to the best of my knowledge the definition of whether a water is navigable is if it is capable of supporting navigation in the interests of the trade and commerce of the area. There are many local factors that enter into that. Surely hon. members do not think there is a hard and fast definition that has to do with a cross-sectional area of the stream, the speed of the current or any of these other

matters. I am told by the legal people that that is the generally accepted definition in law, whether or not a stream or a water is capable of supporting navigation in the interests of the local commerce of the area.

As to the other question raised by the hon. member for Lambton West, the situation there is that the structure has been started. It was started without an application under the Navigable Waters Protection Act, and there simply is no authority under the statute to grant a permit. It is a matter for judgment on the part of the local officials as to whether they wish to finish the structure they have already started without seeking approval, but there is no authority in the statute to grant approval until the period of five years now being sought elapses.

Mr. Murphy (Lambton West): Mr. Chairman, just on that point, I am very glad the minister has gone that far and said that the authorities can proceed with the project. The unfortunate part of it is that they have gone into it without getting any help from the provincial government. It is definitely understood that they can go ahead and get private subscriptions and even grants from the municipal council to complete the project?

Mr. Winters: It is a matter for the exercise of local judgment in that respect, sir.

Mr. Murphy (Lambton West): Judgment of the council, I assume?

Mr. Harkness: Mr. Chairman, in view of what the minister has just said as to his interpretation of what a navigable water or navigable stream is, how is any farmer, or any other person, in that situation to know whether he is at liberty to put a fence, a bridge, or any other structure across a stream which flows through his place? It seems to me that still leaves the thing in a very unsatisfactory state. With these thousands of small streams which exist in this country and which flow through people's farms, and so forth, it seems to me those people should be in a position to know whether they can carry on their normal operations which require bridges, fences, and so forth, or whether before they do anything they have to go to the expense of preparing plans and sending them in to the minister and then perhaps waiting a long time to get a decision and never knowing really where they are. Can the minister say that the provisions of this act generally speaking do not apply to those thousands of small streams which run through farmers' fields, and so on?

Mr. Winters: I cannot give any blanket statement such as that. The hon. member for Broadview said this was good legislation and that it stood the test of time for 70-odd years because it was prepared by a Conservative government. I imagine the tests of navigability over the 70 years have been very much the same as they are now.

Mr. Harkness: There never has been any attention paid to this before.

Mr. Winters: Yes, there was, to the extent of 300 applications a year.

Mr. Charlton: Another matter has come to my attention. What position would a person be in who was about to use water from a stream for irrigation purposes? It could interfere with navigation because it could lower the stream, as it has lowered streams in many instances around my own district. There has been considerable controversy about the use of this tremendous amount of water for irrigation in instances where people put in small dams to make pools on a small stream. I believe there is a case in court now having to do with whether or not it is right for a person to put a dam on a small stream. What is the position of a farmer if he takes water out of a stream, and some of these large irrigation trunks take a lot of water from streams? They lower the stream quite considerably with a 4-inch or a 6-inch line. What position is he going to be in? Is he going to have to go to the courts to find out first and prove to his own satisfaction whether a stream is navigable before he can stick an irrigation pump in it?

Mr. Winters: Under this part of the act the Minister of Public Works is concerned with structures. The bleeding off of water which changes the level of the stream, perhaps, is not related to the structures at all, and the Minister of Public Works would normally have no jurisdiction in that connection.

Mr. Charlton: Well, the work does not interfere substantially with navigation.

Mr. Winters: Is it a work, though; is it a structure?

Mr. Hodgson: Mr. Chairman, I am glad the minister has left the definition of water in small streams in a way which satisfies me. He said he was willing to leave it to the judgment of the municipality in which the stream is located to say whether or not the stream is navigable. I think that is fair. I think that is a good idea.

Mr. Winters: I do not think anything I said can be construed in such a way as to give it that interpretation. If the municipality decides that a stream is not navigable and wishes to put a structure on it without first obtaining approval, then it is up to it to take

the gaff if at any subsequent time the local citizens decide that their rights of navigation are impaired. It is a matter for local interpretation.

Mr. Hodgson: In the case of the structure, if it did not affect anyone from the common sense point of view, was not an obstruction but was helping 10 or 15 people, would you not take the municipality's judgment in that case?

Mr. Winters: It is a question of whose ox is gored. There are courts to decide that problem.

Mr. Hodgson: Nobody's ox is being gored. The obstruction is on what you call navigable water, but the municipality says it is not navigable water and the province says it is not navigable water. Your department says it is. It may be a stream only 2 feet wide, and no boat ever went up there larger than an Indian canoe which may have gone up there 50 years ago. Nothing has gone up since. There has never been a log floated down the stream. In a case of that kind would you say that your engineer was right and that it is navigable water even though the municipality and the province say it is not? There is no obstruction to anybody, but it is giving benefit to a whole group of tourists who want a road in there, and who put a 16-inch tile in the creek. What is your decision on that?

Mr. Winters: What is my decision? I do not think it is before me for decision, Mr. Chairman.

Mr. Hodgson: If you cannot make a decision now it will have to be made by a judge in Toronto, because the municipality will never lift that tile.

Mr. Churchill: It is obvious the minister has approached this problem in a rather lighthearted manner, and he is now finding out that this is a serious proposal which he is putting before us. He should have accepted advice and had this matter discussed in a standing committee of the House of Commons where officials could have been called in and questioned. He proposed to do it in this manner, however, and he is not gaining any time by so doing.

The minister obviously has launched on a course of empire building. He wants his own little empire now. It has become the standard practice of the members of the cabinet, particularly those who are looking ahead. The minister must establish a position so he may rank on a level with other members of the cabinet who are inspired by similar thoughts.

Mr. Hamilton (York West): He has not the highway to link it up yet.

The Chairman: Order.

Mr. Churchill: Perhaps the difficulty with the trans-Canada highway has caused him to divert his attention to something else which he thought he might slip through the House of Commons on Monday afternoon without any attention, but we are going to examine this empire and see just how solidly based it is.

It seems to me incorrect for someone to come along here, as is done from time to time, and say, "Now, for ease of administration it is better to make just a slight change, and here you have section 1 which is merely a modification of the interpretation section of the act; let it go through". When you look at it closely you discover that the modification of the interpretation section of the present act makes a major change in the existing act.

Now, why is that change necessary? Has the minister informed us? Has there been something wrong with the administration of the act over the last 70 years, or is there some other reason? No change should be made in the statutes of this country unless there is some good reason for that change. Has the minister put forward any good reason on this occasion? Not that I have heard yet, except the somewhat plausible excuse that for ease of administration it is better to have these matters under the Minister of Public Works.

If you examine the act closely you will discover that is not a good reason to advance. This act affects more than one minister. As has already been pointed out, the Minister of Transport is affected by part II of this act. When two ministers are concerned it is reasonable that the cabinet as a whole should take matters into consideration. Someone else has already pointed out that works done under this act affect provincial jurisdictions. There again I think it would be very important that the cabinet as a whole, which gives representation by area, should be apprised of any major works that are going to be undertaken under this particular act.

It is for these reasons, in my opinion, that the act was originally drawn up in its present form, so the cabinet as a whole could examine the proposals brought forward. All the ministers of the crown were given an opportunity to give their advice with regard to the proposals rather than having it rest with just one minister. I see no reason to make a change at this time. In matters of the magnitude of those covered under the present act I think the governor in council is the proper body to deal with it.

The Minister of Public Works, if given the authority he desires here, might engage in

construction over navigable waters that would interfere with plans of the Minister of Transport, who is responsible for keeping channels of communication open. You would have a conflict of interest there that would be difficult to resolve. That would not necessarily arise if in the future, as in the past, all projects were examined by the cabinet as a whole.

When you look at section 4 of the present act you find the minister has a certain limited responsibility. The framers of the act in the past had enough common sense to see there were minor construction projects, minor alterations and so on, that should not come before the cabinet as a whole, and the Minister of Public Works has that power already. While I think that is a fairly satisfactory arrangement, it could be modified at the present time to make allowance for the change in the value of money.

Those who framed this act had a fairly good idea of what was required in dealing with navigable waters. I am sure they must have examined the whole situation not only as it relates to the small stream, but the large river and the great lake as well. They must have said, "These are matters which should be the concern of the cabinet as a whole," and they must surely have considered that when great and expensive bridges were being built or large canals were being constructed or altered, the cabinet as a whole should give consideration to the matter. Millions of dollars might be involved in these projects. Why should the responsibility be given to just one minister?

When other ministers and jurisdictions are concerned the obvious place for the authority to rest is with the cabinet as a whole. Consequently the minister is making a mistake in coming before us with a bill of this nature, slipping in a little phrase to the effect that in section 1 "minister" means the Minister of Public Works, and asking us to put that into the interpretation section and then proceed. It is not going to be done quite so easily.

The minister is under obligation to inform this house why this change is necessary. Why is he doing this? Why does he want this power? In the future what will be the difference that will result from this proposed change? If the proposed change is incorporated I think trouble may arise in the future as the result of giving so much power to the Minister of Public Works.

The minister has given no adequate explanation of his reasons for wanting this change. He has not looked far enough ahead, and the house obviously is not convinced. Has the minister considered the implications of placing in his hands the construction of million dollar enterprises, giving him the job of deciding whether or not they are adequate for the purpose for which they were constructed? Is he the one to determine alterations in connection with the St. Lawrence seaway in the future or in connection with any of the great projects across Canada? Is he the one to decide where and what bridges shall be built in the future? Is he the one to decide what shall be done concerning the navigable waters of the northern reaches of Canada as civilization progresses further north? Why just this one minister?

Of course, if the minister lives forever and continues in office forever—

Mr. Nowlan: Heaven forbid the latter.

Mr. Churchill: —there may be some people who would say this is the man who could make a sensible decision; but people on this side of the house living so closely in companionship with the Minister of Public Works are not so sure he is either going to live forever or stay in office forever, or that he is necessarily equipped with the capacity to make decisions of this magnitude.

I suggest also to the minister that he change clause 1 and strike out the small alteration he is trying to slip into this act, and leave the direction of the Navigable Waters Protection Act to the governor in council. The cabinet as a whole should decide on these vast projects. The Minister of Public Works should be given authority over the smaller ones which come within the ambit of this act so the cabinet would not be overburdened with decisions. With the cabinet dealing with these matters the Minister of Transport would be protected with regard to his responsibilities and other jurisdictions would receive adequate protection. As it stands the bill is unsatisfactory.

Mr. Hees: I should like to ask the minister if he does not honestly think that the member of the cabinet who would be in the best position to know what would or would not impede navigation is the Minister of Transport. Does he not honestly think the Minister of Transport should have charge of this act?

Mr. Winters: Mr. Chairman, on that point I would again refer to the long-entrenched position which the hon. member cited earlier.

Mr. Hees: Even Conservatives can make mistakes.

Mr. Winters: Mr. Chairman, I hope you heard that. That has been the situation since the dawn of time so far as this act is concerned. These applications have always been processed through the Minister of Public

Works because the Department of Public Works was one of the first departments established, in fact it was in existence before confederation. Whether that practice should be altered, I do not think I am the one to say. I am simply saying that has been the practice for years, and to the best of my knowledge it has worked satisfactorily. We are seeking no change in that procedure now.

Mr. Hees: As I say, even after 70 years perhaps this Conservative act could have some changes made in it. If the government is going to make changes in this act, I am asking the minister if in his opinion it does not seem logical, because it does seem logical to me, that if you are going to have to make decisions 300 times or more a year as to whether certain buildings, docks and things of that kind will impede transportation, is not the Minister of Transport in the best position to do it because he understands what are the navigational requirements of certain streams and rivers. What we are trying to do is make a good, sensible job of this act, and I am asking the minister, in all seriousness if in his own mind he does not think that is so.

Mr. Winters: As hon. members know, the Minister of Public Works is responsible for the construction of all wharves, breakwaters, skidways, groynes and thousands of other protection works, with certain exceptions. A great many of these applications have only local importance, being of interest to fishermen who navigate in the area and so on, and in that field I think the Department of Public Works has acquired more experience than perhaps any other department of government. I am not trying to convince hon. members that the Department of Public Works is the only department which can properly do things, because I do not believe that is true, but in this instance I consider it is appropriate that the Minister of Public Works should decide whether these structures will or will not impede navigation.

Mr. Hees: The original act has stood the test of time for 70 years, and under the original act the Minister of Public Works had to bring these measures before the whole cabinet. In the cabinet there would be discussion in which the Minister of Transport and all other ministers whose areas might be concerned would participate. That provided a definite safeguard.

Does the minister not think that rather than these decisions being made by him and his department, certainly in connection with the larger projects the decisions should be made in co-operation with the Minister of Transport, who would have a greater knowledge of what should or should not be allowed in the way of obstructions? There should be a requirement that the Minister of Public Works should obtain approval from the Minister of Transport in connection with projects costing over a certain amount.

I quite agree that the smaller projects could be handled by the minister and his department, but I think the Minister of Transport should be brought in on these discussions. For instance Toronto, in which I am particularly interested, will be a most important harbour once the St. Lawrence seaway is developed, and I certainly would like to feel that the Minister of Transport was looking over all projects having to do with wharves, buildings and things of that kind before they were given the O.K.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Hees: At six o'clock, Mr. Chairman, I was asking the minister, since the act is being changed by the bill so there is no requirement to bring these measures before the whole cabinet and they can be decided by the one minister alone, whether he did not consider that it would be better to have these decisions at least made by the Minister of Public Works and the Minister of Transport, because the Minister of Transport should know more about the requirements of navigability than the Minister of Public Works. I would appreciate it if the minister would give me his opinion and tell the committee if he does not think the two ministers together should be in consultation on at least the major projects, rather than the minister alone.

Mr. Winters: I am sure the hon. member is aware that there is cabinet solidarity here—

Mr. Green: Since when?

Mr. Winters: —and that every minister who acts on his own responsibility is not apt to do anything that is inconsistent with the responsibilities of any other minister. I think he can take it that the minister, in the exercise of his judgment, is certain to canvass all other ministers who have an interest in the particular subject or who are in a position to help. I can assure him that would follow automatically.

Mr. Green: There are one or two other matters concerning which I should like to ask the minister for an answer. First of all, how is this control going to be exercised in

so far as rivers are concerned which come under the International River Improvements Act passed last year? Those rivers are primarily the Columbia river, the rivers running through the panhandle of Alaska, and the Saint John river.

As I understand it, that act is under the administration of the Department of Northern Affairs and National Resources. I have a copy of that act here, and I believe there is no mention of the minister of that department in the act itself. Powers are given to the governor in council in the same way they were given to the governor in council under the existing Navigable Waters Protection Act. Regulations under the International River Improvements Act are to be made by the governor in council, just as they are at present under the Navigable Waters Protection Act.

The bill before us now will make a difference between the two types of work. The International River Improvements Act will be under the Minister of Northern Affairs and National Resources for administration but the regulations will be made by the governor in council, which I think is the way it should be. However, under the Navigable Waters Protection Act the Minister of Public Works will have all the power and in addition he will have the power to make regulations. Incidentally, I notice that the act reads that he will have power to make regulations for navigation purposes, which just shows how ridiculous it is to have the Minister of Public Works in charge of the Navigable Waters Protection Act, the main purpose of which is to protect navigation. I think the act should be administered by the Minister of Transport.

Will the minister explain what will happen on these international rivers? Suppose a company wants to build a dam or a pier on the Arrow lakes to cost say a million dollars. I think the Kaiser dam was to cost $2 million. Under the proposed amendments to the Navigable Waters Protection Act the Minister of Public Works can say whether or not the dam is to be built. I presume they would then have to go to the Minister of Northern Affairs and National Resources under the other act. Will the minister explain just how this is going to be worked out?

I give this illustration to show that it would seem to me to be much wiser to have the authority given to the governor in council. Then the Minister of Northern Affairs and National Resources and the Minister of Transport could be sitting in with the Minister of Public Works and all the ministers affected could make the decision.

[Mr. Green.]

My second point has to do with harbours, first of all national harbours and, second, harbours where there are independent commissions. Will the minister explain how works to be erected in these harbours will be permitted and just where the Minister of Transport fits into that picture?

Mr. Winters: These are all matters of co-operation among the various ministers concerned, and just because a statute does not specifically say that an application has to be referred to a committee of the cabinet does not mean that the members of the government concerned do not consider it and consider it very fully. Generally, as this statute points out, the jurisdiction of the Minister of Public Works is limited to the navigational aspects of structures in navigable waters, and when the Minister of Public Works has authority by this bill to make regulations for navigation there is the limitation that he can only make regulations for navigation purposes respecting any work to which this part applies.

With respect to international rivers, this statute will apply as it has applied heretofore in the case of structures that are being built and are likely to have any bearing on navigation, just as on any river that flows entirely within our national boundaries. There is no problem there. We have been discussing with the Department of Northern Affairs and National Resources the general application of our various jurisdictions, and those talks are still going forward because we want to have it clearly understood in both departments just what our responsibilities are.

With respect to harbours administered by the national harbours board, if there is a structure to be built an application is made under the terms of part I of the Navigable Waters Protection Act, and it is processed through the Minister of Public Works just as the act presently provides.

Mr. Green: But then submitted to the governor in council.

Mr. Winters: Heretofore it has been submitted to the governor in council. The change here is that the minister will have the authority now, but the procedure is still the same apart from that.

Mr. Green: The procedure is the same apart from the power to make the real decision, which at the present time is held by the governor in council. By this bill that power of deciding is being taken away and placed with the Minister of Public Works. Is that not a fact?

Mr. Winters: To this extent, that heretofore the decision was submitted to the governor in

council on the recommendation of the minister and now the decision is to be made at the ministerial level. The reason for that is the multitudinous number of these applications deal largely with very small projects. They are usually matters of transmission lines over streams and the like. It seemed to the government that a more reasonable and expeditious way to handle them was for the minister to assume the responsibility and have the authority that goes with it.

Mr. Green: Why not divide these applications? The minister has said several times today that there are quite a large number of applications. It would be very helpful if he could break down the number and tell the committee how many there are in each category. In the last annual report of his department for the fiscal year ended March 31, 1955, there is the following at page 13:

> The number of applications made for approval of the plans and sites of works in navigable waters pursuant to the Navigable Waters Protection Act, the Railway Act, the Pipe Lines Act and special statutes continued to increase with 225 applications being processed during the fiscal year. Two licences for the operation of international ferries were issued.

That refers to four different types of operations, one under the Navigable Waters Protection Act, a second under the Railway Act, a third under the Pipe Lines Act and a fourth under special statutes. The bill we are considering today only deals with the first group. Can the minister give us a breakdown of what those numbers are and then a further breakdown giving the types that have been made under the Navigable Waters Protection Act?

I think nobody objects to the minister himself dealing with minor applications. There is no controversy about them. What we are worried about are the big applications which really matter, where there is a large amount of money involved or where a structure is of great importance from a navigational point of view. For that latter group we think it is wiser to retain the control in the governor in council. Can the minister give us a breakdown showing how many are in each category?

Mr. Winters: Speaking from memory, I would think that much less than 10 per cent of the total number of applications made are of any significant size. The rest of them are rather matters of routine processing of applications which have to do with small structures; largely they are in connection with the spanning of streams by transmission wires. That is what constitutes the general run of applications.

Mr. Green: Why not leave the power in the governor in council to deal with this 10 per cent which are really important and vital, and let the minister take the power to deal with the smaller ones? Would not that be the reasonable way to do it, rather than to give him complete jurisdiction over all these applications, no matter how large the scheme may be?

Mr. Winters: It is very difficult to try to break them down on a dollar basis. Sometimes a smaller structure such as a bridge which might cost only $200 or $300 might have a most important effect on navigation whereas, conversely, a very expensive structure might have a relatively small effect on navigation. I might say that we have considered some such delineation, but it just did not seem to be practical because there is no way of breaking down on dollar value and saying that just because something costs a great deal of money, its effect on navigation is important.

Mr. Green: But in the bill the minister himself has made a division. In the new section 4 he has differentiated between a bridge, boom, dam, aboiteau or causeway and the other works. Why could there not be a breaking down on that same basis of the powers exercised by the governor in council and by the minister?

Mr. Winters: On that point, may I say that is a matter of policy, Mr. Chairman; and the government felt that the responsibility for making the determination should be vested in the minister.

Mr. Herridge: Just in order to get clear in my own mind how this act will be worked, I have a question to ask. For instance, the minister knows that we hope there will be some extensive developments on the Columbia river within a few years. In the meantime, suppose some company or some person comes along and wants approval for a certain work. Then later suppose the raising of waters or something of that sort covers this work or floods it. Does the minister give consideration to a situation like that as a result of consultation with the Minister of Northern Affairs and National Resources, so this person or corporation would not get approval to build a certain work now and then have a claim say in four or five years against the crown or the authority building a dam or raising the waters, or against even a private company doing the same thing? Are these matters investigated?

Mr. Winters: Very much so; yes.

Mr. Hamilton (York West): Mr. Chairman, I think some of the answers we have just received from the minister in reply to some

of the questions he has been asked further substantiate the argument we have been making, namely that this legislation should have been sent to the committee. I want to continue on that line for just a moment. It seems to me that almost every clause in this bill contains some type of technical wording. I would think the only place where we can possibly get the answer from the experts—that is, the experts over and above the minister—would be in a committee.

I know I am not supposed to refer specifically to the items that are contained in the legislation, but I might say that, in connection with the clauses, I see wording like this: We have added the word "altering," making the phrase "rebuilding, repairing or altering". It would be interesting to know why this type of wording is required as an addition in a section of this kind. Perhaps we shall get the answer from the minister, but I say that in all likelihood it is something that should be explained by those experts in the department who have had something to do with drafting the legislation itself.

Further, I notice that we use the term "substantially" in the phrase "the work does not interfere substantially." Here again we are placing in the hands of the minister some very great power. He alone is going to be the person who will make the decision.

Farther down in clause 4 we find the words "that the work was urgently required". Here is another term that I defy almost anyone to define, certainly from the legal standpoint. These words, Mr. Chairman, are all in addition to the words "navigable waters" which I notice have been referred to in legal cases but have been shoved aside very quickly when it came to giving judgment, so that little attention has been paid to the actual definition of the words themselves.

Then later on we have the words "if in the opinion of the minister, the interference with navigation..." That is another very technical term in connection with this legislation; I refer to the term "interference," and the fact that the minister is going to take upon himself the whole power to determine whether something constitutes "interference".

And last, there is a technical point I think in the last clause of the bill dealing with the question of the minister making orders or regulations for navigation purposes in connection with this act; and then the fact that the governor in council may make orders and regulations for purposes affecting navigation if it emanates from any other act of the parliament of Canada. The question there is as to which would be the superseding authority.

All these words remind me of a case during the period of the wartime prices and trade board regulations in which the term used in the legislation was "prices reasonable and just". I know the supreme court of Ontario in that case said that they just were not subject to definition. Yet here in this type of legislation we find at least five or six examples of terms which have wide ramifications, and in which we are allowing one man to make the decision as to what they actually mean. Mr. Chairman, I would respectfully request that even now it is not too late for this legislation to be referred to a committee where we can really get down to it and find out what it means.

Mr. Murphy (Lambton West): Before the dinner recess we were trying to get from the minister a definition of what is a navigable stream or a navigable water, and I had referred to a case that I thought was in 1910 or 1911. As a matter of fact it was in 1908, and it happened to be in the area in which I was living at that time and it concerned the river Thames. I think it is important for us to have a proper interpretation of what is navigable and what is not navigable on the record so there will not be any doubt in our minds, and we are the ones who are passing the bill. I certainly do not know what is navigable, and I doubt whether any member of this house knows what is navigable.

This was a case on the point. I just want to read two or three sentences from the evidence in this particular case, which concerned a dispute between two farmers about taking gravel from the bed of the river, and apparently there was also the question of a crown grant in the centre of the river or to the bank. What I am concerned about here are two or three references. This is in the case of Williams *v.* Pickard, found in 17 Ontario Law Reports, 1908-09. This was a judgment reversing the decision of the divisional court.

> Held, reversing the decision of the divisional court . . . that the northerly boundary went to the centre of the stream.

I mention that, and continue:

> The main question is whether this description gives the grantee to the middle of the stream, or only to the bank.

Then this struck me in a casual glance at this case:

> Then, coming to the question, why should the crown reserve the bed of this river—all the land beyond the post?

That is one of the descriptive points.

> History, as well as the evidence in this case, gives a very sufficient reason. The navigability of the river Thames up to the forks—now the city of London—has always been in contemplation, and it has always been known that to make navigation, at all seasons of the year, reasonably practicable, the construction of weirs and locks, dredging and embanking, would be necessary;

Then I come to the next to the last paragraph:

> On the question of the navigability of the river Thames, I desire to guard against being considered in agreement with the trial judge in his finding. That that river is navigable for some distance, and to some extent, is too well known to require any sort of proof. It is not needful, in this case, to consider whether it is navigable at the place in question;

That is the point at which the lawsuit involving the gravel arose.

I suggest, Mr. Chairman, that this house should know and have on record a definition of a navigable stream. We have heard about streams going through farms and all that sort of thing, and none of it has been refuted. I would contend, as an ordinary human being with some understanding of the problems we face, that such streams could not be considered navigable. This is important legislation and I think it is very important that the members of this house, as well as the people of this country, know what is navigable.

The Chairman: Shall the clause carry?

Mr. Murphy (Lambton West): No, I should like an answer to that question. I think the house is entitled to it. You have had during the recess to consider it.

Mr. Winters: I have already put on the record three times the best definition I am able to give of that.

Mr. Trainor: I do not profess to have any qualifications on the technical aspects of this legislation. However, there are one or two observations I should like to make. It seems to me that one of the outstanding observations one could make of this debate is that members of all three opposition parties have raised questions they considered of interest and importance to their constituents. The conspiracy of silence on the government side has been equally apparent. Surely all the interests of the constituents of this country do not rest on this side of the house. One would expect that some evidence of this would exist on the government side. Still we have not heard one word from any member on the government side except the hon. member for Fort William, who was mainly concerned with justifying—I am sorry; did the hon. member for Kootenay East speak? At any rate there have been very few who have contributed anything on this important piece of legislation.

It may be, of course, that the government subscribes to the dictum of the poet in this respect that—

Mr. Dickey: Order.

Mr. Lennard: That is right; call your members to order.

Mr. Dickey: I am calling your member to order.

Mr. Lennard: The hon. member for Kootenay East is the one you should call to order. He starts everything and finishes nothing. You know that.

Mr. Dickey: You know the member who is speaking is out of order.

Mr. Trainor: It may be that the government subscribes to the words of the poet in this respect, that we do not like anything except what the government elects on this particular point. I do not believe the government necessarily has all the wisdom in the world in this respect, and they should call to a certain extent upon the judgment of individual members. It may be that individual members are not always correct in their assumptions, but at the same time I do not think the government are always correct, either, in their particular assumptions. One notices, for example, that there is a tendency to submit to the government's view on all these questions.

Now, I believe there should be some room for individuals who express their own ideas, because those ideas are likely to more closely approximate the ideas of their constituents. We have seen a total absence of this particular element in this debate. Apparently the government has set out the idea of what shall be true. As somebody has said, it is the idea of the engineer. Engineers, and I noted this was received with applause from the opposite side of the house, are supposed to represent efficiency. Do they always represent efficiency?

Let us take a look at that. They do not. Individual corporations employ engineers at times, and if they do not like what the engineers tell them they fire the engineers. Perhaps we should fire some of the engineers who tell us what we should do in this house. As a matter of fact I believe that the common sense of the Canadian people will come into play in this respect. It may be, of course, that the government is thinking along the lines of that idea in Gray's Elegy "Full many a Liberal is born to blush unseen and waste his sweetness in the desert air"—that is if a Liberal can blush, which one would be in some doubt about after the performance in the last few sessions in this house.

However, be that as it may, I think the minister would be justified, indeed wise if I may say so, in paying some attention to the representations that have been made from this side of the house on behalf of Canadian citizens. It will not profit the minister very much to force things through on the basis of the majority he possesses. He knows he can do it, and of course that is admitted. The

ultimate effect upon the Canadian public is not going to be good if he chooses to do so. I would advise the minister very sincerely to take cognizance of the representations that have been made to him from the opposition groups, which indicate that the people of Canada actually have some interest in this particular legislation, and he had better listen to them.

Mr. Richardson: Mr. Chairman, coming as I do from one of the constituencies that is within the boundaries of the great port and city of Montreal, I have some interest in this bill. The second half of my lifetime I have lived in that great inland city. The first half of my life, though, I lived on the Atlantic ocean, and I myself, if you will allow a personal reference, have been a member of the bar for some 33 years, in the civil law and in the common law. I have read this bill twice over, myself. I understand it. With whatever due modesty I can command, as a member of the legal profession, I understand the bill.

My hon. friend who just spoke referred twice to some poetry, and had a little difficulty quoting it. After having what I believe to be a complete comprehension of this bill I say to all:

A little learning is a dangerous thing;
Drink deep, or taste not the Pierian spring;

The Deputy Chairman: Shall the clause carry?

Mr. Green: The minister has said, and I think quite correctly, that there is no definition of navigable water. Surely his department must have some method of deciding what waters are navigable and what are not. Are there not some rules by which his department acts? How do they decide whether a water is navigable? Do they send out an engineer in each case to decide whether a particular river or lake is navigable, or is there any rule as to what type of vessels must be used on the water? Are there any rules at all?

Mr. Winters: It depends on the local situation, Mr. Chairman, and each particular case is examined on its own individual merits.

Clause agreed to.

On clause 2—*Application.*

Mr. Hamilton (York West): Would the minister explain the need for the addition of words "or altering".

Mr. Winters: This is the result of what was an obvious defect in the act as it stood. Under the old statute we had authority to deal with repairs and rebuilding, but we had no authority whatever to deal with alterations. With respect to many of those structures already existing in navigable waters there was need for alteration. It became a matter of legal definition as to what was a repair, what was a renewal and what was an alteration. We were caught in the middle, and what we are doing here is correcting what was, or what seemed to us, an obvious defect.

Mr. Hamilton (York West): I understand from the minister, then, that this contemplates an addition to an existing structure?

Mr. Winters: My own concept of it is that it would almost always be in the nature of an addition to an existing structure.

Clause agreed to.

On clause 3—*Construction of works in navigable waters subject to approval of minister.*

Mr. Green: Mr. Chairman, why is this distinction made in clause 3 between a bridge, boom, dam, aboiteau and causeway and the other works which are defined in the definition clause of the original act? They include wharf, dock, pier or other structure, tunnel or pipe, or telegraph or power cable or wire and the approaches or other works necessary or appurtenant thereto, or any work, structure or device, whether similar in character to the foregoing or not, which may interfere with navigation. On what basis did the department pick out these works—bridge, boom, dam, aboiteau or causeway—and leave out at least some of the others which would seem to be just as important and just as likely to impede navigation?

Mr. Winters: It was considered from our experience, Mr. Chairman, that these were the sort of structures that have been most apt to interfere with navigation. We endeavour here to broaden the exceptions. Under the old statute certain exceptions were specifically stated. Now we are saying that unless the work in question is a bridge, a boom, a dam, aboiteau or causeway, then the minister may deal with it without going through the formal procedure that is prescribed in the statute.

Mr. Green: Does that not have the effect of making it unnecessary, for example, for a pipe-line company to comply with the terms of the act in putting a pipe-line across a river?

Mr. Winters: No. I am quite sure it does not make it unnecessary, Mr. Chairman.

Mr. Green: That is not included in the definition of bridge, boom, dam, aboiteau or

causeway. It would seem to make it very easy for them to get by without following the act.

Mr. Harris: The minister consents in the previous subsection.

Mr. Winters: The pipe line would have to get the authority of this statute. For one thing, it is almost certain to cost more than the $5,000. That was looked into, and I am quite certain that the position of the pipe line is protected and that it must receive authority under this statute.

Mr. Hees: Mr. Chairman, I wonder whether the minister would be interested in a question that is of vital importance to the maritimes particularly. Has he heard the last report from New Brunswick and is he able to give an answer. Conservatives elected, 14; leading, 25; Liberals leading, 13; elected, none.

Mr. Barnett: I have a couple of questions that I should like to ask in connection with this clause. First of all, to satisfy my curiosity I should like to know what an "aboiteau" is; I do not know.

Mr. Winters: An aboiteau is one of those structures that are frequently found in Nova Scotia. It is a development from the old Acadian days when the marshes were drained. It is a structure provided in a dike to allow the tidal waters to run off the marshes; then the gate closes automatically to keep the sea water out.

Mr. Barnett: We have similar structures in British Columbia but not under that name. My next question relates to the question that was asked by the hon. member for Vancouver-Quadra in connection with pipe lines. What is the situation with respect to an aqueduct? I can see some point in the minister's argument that a power cable or a submarine pipe line might not ordinarily be considered as likely to interfere with navigation as a bridge or boom would. But suppose somebody wants to suspend a pipe line across a stream or an inlet; would it be covered under the terms of a bridge?

Mr. Winters: Yes; a bridge.

Mr. Barnett: Personally I do not quarrel at all with the proposal in this section to increase the value of the exempted work from $1,000 to $5,000, because I think that probably is simply bringing the act in line with present valuations of the works that were contemplated when the original act was drawn; but it does seem to me that clause 3 of this bill is really the essence of the proposal to change the act, because this is the clause which in effect changes the power which has been in the governor in council to the minister in regard to the approval of sites and plans. I think that is probably the most important question that we are discussing in connection with this bill, although there are some others, of course.

Although, as I indicated on second reading, I feel there may very well be many instances when routine approval by the minister would be quite satisfactory, nevertheless I can foresee situations arising where it might be desirable that the minister not be the court of last resort in connection with this matter. I think we should give some serious consideration to this clause before we pass it in its present form.

For this reason, Mr. Chairman, and in order to indicate what I feel would be one alternative way of dealing with this, I would like to propose that this clause be amended in such a way as to perhaps compromise with some of the views expressed by hon. members and the views the minister put forward in the bill itself.

My amendment would provide a situation wherein the ordinary routine applications to which the minister has been referring and which have been increasing in number could be proceeded with in the usual manner with advertising, and at the end of the required period receive the approval of the minister; but I feel there should be some method by which these applications in the last resort could at least come before the governor in council. Therefore I would like to propose that clause 3 of Bill No. 388 be amended. I move:

That clause 3 of Bill No. 388 be amended by adding at the end thereof the following new subsection:

(3) Decisions of the minister under this section shall be subject to an appeal to the governor in council under such terms and conditions as the governor in council may by regulations provide.

Mr. Winters: I think perhaps I can dispose of this in just a moment. The decisions under this section are not normally the kind that are considered for appeal in any event. Notice of the application is given in the *Canada Gazette* and two local newspapers. That is for the purpose of giving the public themselves the chance to protest if they care to do so; if they feel their individual rights are being infringed in any way. By the time this comes before the minister there has either been an appeal lodged by somebody who feels that his rights are being injured, or there is no objection at all and then the request is granted.

It seems to me that provision for an appeal in this instance is unnecessary and, Mr. Chairman, I therefore must say I would feel obliged to vote against the amendment.

Mr. Green: Mr. Chairman, the minister forgets that in quite a few of these applications under this new bill there will not be any advertisements at all. The minister is taking the power here to make the decisions himself without any advertising being required whatever in all cases where he believes the work will not interfere substantially with navigation. The word "substantially", by the way, is an entirely new provision in the bill. Formerly the act read "interfere with navigation" and now the word "substantially" is put in. That was obviously put in as a protection for the people who are going to erect these obstructions.

The bill also refers to instances where, in the minister's opinion, the value of the work does not exceed $5,000. In those cases there is no need for advertising at all. If the minister decides in favour of allowing the obstruction the man who is affected by that obstruction has absolutely no rights whatever. He may not know a thing about it until permission has been granted.

I do suggest that this amendment improves the bill, giving the opportunity to appeal to the governor in council. I do not believe the power of decision should ever have been taken away from the governor in council as is being done in this bill, but if it is to be taken away from the governor in council and put in the hands of the minister alone surely there should be an appeal to the governor in council. After all, there are still a few rights left in this country, and surely there is no reason why the person affected by these decisions should not have the right to appeal.

Mr. Winters: Mr. Chairman, in reply to that I simply say we are making no change from the provisions of the present statute which says, in section 4, subsection 2:

> The provisions of this section do not apply to small wharves or groynes or other bank or beach protection works, or boathouses, if in the opinion of the Minister of Public Works
> (a) they do not interfere with navigation, and
> (b) do not cost more than one thousand dollars.

That $1,000 is being raised to $5,000 but the principle is the same. There was no appeal there and I submit no appeal is necessary here.

Mr. Green: But the minister is again overlooking the fact that on all the other applications where the minister does not exempt them from advertising the governor in council has nothing to do with it and there is no right of appeal whatever. This amendment will give the right of appeal in both cases; in the first place, in cases where there has been advertising and the minister has decided against the person who wishes to appeal, and in the second place in this other group of applications which is now much larger than it could have been under the original act.

The exemptions under the original act were very limited. They applied only to small wharves, groynes or other bank or beach protection works, or boathouses, if in the opinion of the Minister of Public Works they did not interfere with navigation. The minister has now slipped in the word "substantially", which of course gives him that much wider power to rule in favour of an applicant. The other provision concerned the $1,000. There is a very big difference, because under the new bill all sorts of obstacles come under subclause 2 with the exception of bridges, booms, dams, aboiteaux or causeways.

I do suggest again the amendment improves the act. In all fairness to the people who are going to be affected by the decisions made by the minister alone there should be the right of appeal to the governor in council.

Mr. Knowles: Mr. Chairman, I would like to support the amendment moved by my colleague the hon. member for Comox-Alberni, and like the hon. member for Vancouver-Quadra I feel it does improve the section I, too, feel the change that is being made by the section—without this amendment, at any rate—should not be made.

I am a little amazed at the Minister of Public Works standing up and saying that no real change is being made by what clause 3 of this bill does to section 4 of the act. He admits, of course, that the change from $1,000 to $5,000 is being made but he tries to create the impression that that is the only change. Surely this is clear, Mr. Chairman. Under the act as it now stands any work that exceeds $1,000 in value has to be approved by the governor in council; under the new act anything above $5,000 in value would have to be approved only by the Minister of Public Works; anything below $5,000 in value has only to be declared by the Minister of Public Works as something which he does not even have to approve.

That may be putting it a bit strangely, but is that not what the section as amended will provide, namely that everything will be in the hands of the Minister of Public Works? If it is worth $5,000 or more, he has to approve it; if it is worth less than $5,000, he so indicates, and then having given that indication he does not even have to approve it. Surely that is quite a change from the situation under which the governor in council came into the picture where any work was of a value in excess of $1,000.

I think there has been a bit of carelessness in the drafting of this clause. It looks

to me as though those who drafted it tried to recast what is already in section 4 of the act. Apparently they felt that some of the wording had to be carried over. Section 4 of the act as it now is reads:

4. (1) No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site thereof has been approved by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

The point I am making is that in the old section there is a definition of regulations; regulations are spelled out as being regulations approved or made by the governor in council. But the amended clause will read:

4. (1) No work shall be built or placed in, upon over, under, through or across any navigable water unless

(a) the site and plans thereof have been approved by the minister; and

(b) the work is built, placed and maintained in accordance with the plans and the regulations.

I ask the minister to tell us what is the meaning of the last two words in subclause 1 of the new clause 4; I refer to the words "the regulations".

Mr. Winters: I would refer the hon. member to clause 6 which reads:

The minister may make such orders or regulations as he deems expedient—

Mr. Knowles: Does the minister suggest that the general power of regulation under the act covers the reference in what would be section 4 to "the regulations"? It seems to me that those words are just left hanging in thin air. Actually the stipulation set out in the amended clause 4 does not hang together; it does not have any meaning or any reference. I feel that what happened is that at the request of the minister somebody has redrafted the old section 4 and tried to take out the requirement of reference to the governor in council, and in so doing has emasculated the clause until it does not mean anything at all.

All it now says is that the minister is the boss; if it is above $5,000 he has to approve; if it is below $5,000 he just has to say, "It is below $5,000 and it does not interfere substantially with navigation," and therefore he does not even have to approve.

Mr. Nowlan: Unless it is a bridge, boom, dam, aboiteau or causeway.

Mr. Knowles: The hon. member for Digby-Annapolis-Kings says, "Unless it is a bridge, boom, dam, aboiteau or causeway." The only conclusion one can draw from that exception in subclause 2 is that if it is a bridge, boom, dam, aboiteau or causeway it does come under the exception and is therefore one of the works the minister has to approve. We are given just two choices. Either the minister approves it or the minister tells us that he does not have to approve it.

Mr. Winters: That is not right.

Mr. Knowles: The minister says that that is not right, but I would be glad to have him explain it. Perhaps I had better put the rest of section 4 on the record so it will be there:

(2) This section does not apply to any work, other than a bridge, boom, dam, aboiteau or causeway, if in the opinion of the minister

(a) the work does not interfere substantially with navigation, and

(b) the value of the work does not exceed five thousand dollars.

My contention is that this clause means that if the value is in excess of $5,000 or if it is a bridge, boom, dam, aboiteau or causeway, the minister has to give his approval. If it is anything else the minister simply indicates that he does not have to give his approval. In either case it is in the hands of the minister. It seems to me that it is a bad clause in the first place, but it would be improved to some extent by the amendment which has been proposed by my colleague.

Mr. Barnett: Mr. Chairman, I should like to deal with the question of how the amendment applies. The minister has given an explanation in connection with this clause, but it strikes me that under some circumstances there might be quite an advantage to the minister if there were some form of appeal from his decision. What the minister says about notice having to be given and there being an opportunity for anyone concerned to raise objection is perfectly true; nevertheless if the minister has made his decision, even though there might be some objection, as far as I can see it that is it.

As I suggested earlier, the only redress open to anyone would be to get rid of the Minister of Public Works who was holding office at that particular time, but that might not necessarily be the most desirable thing to have happen for the person who was involved. He might think that otherwise the minister was a fairly good Minister of Public Works, but if he refused to hear the objection raised in a particular situation or, on the other hand, if he listened to the objection that was raised and turned it down, then where are we left? I presume the matter could be raised on the floor of the house by a member of parliament, but parliament might not be sitting for a period of months and then there would be no court of appeal.

One reason in the back of my mind for proposing this amendment is the experience we had in British Columbia in connection with appeals from decisions of ministers, or there

not being any such appeal. I am thinking of the situation which arose in connection with the issuance of forest management licences. I do not recall all the details of that situation, and if I did I would not take the time of the committee to relate them. I do know there was a great deal of heat generated in British Columbia over this question with respect to whether or not the minister should have the right to turn thumbs down on a particular application for a forest management licence, and if proper machinery had been set up in the first instance for an appeal from the minister to the governor in council the matter probably could have been settled with a good deal less heat and to the better satisfaction of all concerned.

I still feel that some such provision in this legislation would mean a greater degree of flexibility in its application to some situations. A situation requiring an appeal might arise only once in five or ten years, but the very fact that there was provision for some appeal from the decision of the minister might in itself work toward a satisfactory solution without the necessity of anyone having to resort to an appeal. I really wish the minister could see his way clear to accept a proposal along the lines I have suggested.

Amendment (Mr. Barnett) negatived: Yeas, 27; nays, 59.

The Deputy Chairman: I declare the amendment lost. Shall the clause carry?

Mr. Hamilton (York West): Mr. Chairman, the hon. member for Kootenay East was good enough to send me over a dictionary to help me out, but it really does not help too much in defining the word "substantially". The minister is going to have some dandies to deal with when this goes through. I wonder how he is going to define the word "substantially".

Mr. Winters: I have not the benefit of a dictionary before me, but I would think there would have to be real interference with navigation before the word "substantially" would apply. It could not be just some imagined interference. It would have to be demonstrated that there was real interference, and that is why the word "substantially" was inserted.

Mr. Hamilton (York West): Is there any particular definition of real interference?

Mr. Winters: I have no definition of that, Mr. Chairman.

Mr. Barnett: There is one other matter I should like to bring to the minister's attention in connection with clause 3. Subclause 2 exempts certain works from having to have formal approval. Am I correct in understanding that not only under this bill but also under the old act those works which are exempt from being required to have formal approval do not have to be advertised before they are built? If that is so, I raise the question whether it might not be desirable to have some provision whereby some form of public notice would be given of the intention to construct such works.

The works which have to be advertised are published in the *Canada Gazette*. Everyone interested enough to peruse the columns of the *Canada Gazette* is aware of the fact that applications are being made, and those who read their newspapers also know. Inasmuch as the act has been opened, I wonder whether it might not be desirable to have some provision, perhaps not as formal as that required for larger projects, for giving public notice of the intention to construct such works so that if anyone had any objection to their erection or was of the opinion that they would interfere substantially with navigation they would have the opportunity of expressing their views to the minister before the works actually came into being. Would the minister give consideration to that suggestion?

Mr. Winters: I think that is quite a good suggestion. I have been discussing that very point with our officials and the law officers, and while we have not worked out the means of doing it we do intend to inform the public of the granting of approvals in all these instances.

Mr. Trainor: I should like to make an appeal on behalf of the Minister of Trade and Commerce. There appears to be a conflict of dictatorship here. This bill mentions—

Some hon. Members: Order.

Mr. Trainor: —pipe lines, and I suggest that is a matter that is reserved for the Minister of Trade and Commerce. The Minister of Public Works has no business butting into pipe lines.

Mr. Winters: The hon. doctor, who has become a gem of purest ray serene tonight, has uttered words of wisdom which I shall be glad to keep in mind.

Clause agreed to.

On clause 4—*Removal of unauthorized works.*

Mr. Green: Clause 4 writes a new section 5 into the act, and subsection 2 of that section 5 seems to be an entirely new principle in the Navigable Waters Protection Act. It reads:

The minister may, subject to deposit and advertisement as in the case of a proposed work,

approve of the plans and site of a work after construction thereof has commenced

(a) if, prior to commencement of construction, the minister, having been satisfied that the work was urgently required, consented in writing to commencement of construction; or

(b) if five years have elapsed since completion of construction of the work;

and such approval has the same effect as if given prior to commencement of construction of the work.

A great many of these works will not even require the formal approval of the minister because they will be exempt under subsection 2 of section 4 of the act once this bill has been passed. What number of cases are there which require this urgent action? As I read this provision, it is not even necessary for the applicant to file a plan. It certainly is not necessary for him to do any advertising before the minister gives a letter authorizing that the work be commenced.

What are the types of works for which this great speed is required? Where quick action of that type is taken, where a short cut of that nature is used, surely the Minister of Transport should be brought into the picture, because the effect of the work is to interfere with navigation. Why is provision not made there that these things should be done with the consent and approval of the Minister of Transport? It is bad enough to provide for the minister to write these letters and thereby permit the construction of the work without the time taken to advertise and without the people who are going to be affected knowing anything about it. As I say, that is bad enough. But surely it is just as bad to keep the Minister of Transport out of the picture. If there are to be these emergency cases, then the Minister of Transport should be brought into the picture.

Actually, under the new section 9 he must be appealed to; he must give his consent in the case of a work in a national harbour, except under this very subsection 2 of section 5. I cannot understand why he should not be brought into the picture not only on a work in a national harbour but also in connection with any other works where this short cut is being taken.

Mr. Winters: I can assure the hon. member that where the interests of the Minister of Transport are concerned he will certainly be brought into the picture.

Mr. Green: Why not say so in the act?

Mr. Winters: There are not many cases where this will apply, but where it does it is generally a matter of urgency. I think this is one section that badly needs to be inserted in the act in order to give it a measure of workability which it now sadly lacks. There are structures pending now that cannot be approved because they did not get prior approval, yet they were matters of great urgency. I can think of one that came to us through the channels of the Railway Act which, of course, is administered by my colleague the Minister of Transport. There is another one pending in Vancouver itself.

Mr. Green: What is it?

Mr. Winters: I am not sure of the details now, but there was a structure started there without prior approval. No matter how meritorious that structure might be, we have no authority whatever to give it approval. I know my hon. friend recognizes what that can mean to financing and other development in the area. The fact of the matter is that it cannot now be an approved structure. Under the old section there was no provision whatever for approving an unauthorized structure unless it was built or in course of construction on the 1st day of June, 1938.

The government does not believe any structure should be started without prior approval; but there are extenuating circumstances sometimes, where it becomes necessary because of the urgency of the situation. This legislation does provide for approval subject to the applicant conforming to all the provisions of the statute. By publishing notice in the *Canada Gazette* and two other papers and going through all the procedure he can then qualify. But in the meantime approval can be given him to proceed with the work.

Mr. Green: That is only after the work has begun.

Mr. Winters: If he cannot qualify, however, the work will have to be undone.

Mr. Casselman: Has there ever been a work taken down after it has started?

Mr. Winters: Yes.

Mr. Casselman: Where?

Mr. Winters: I can think of one in the province of Quebec in my time, and I have no doubt there were others before my time. The hon. member for Broadview pointed out how far this statute goes back. I think he should be checked on that point too. But if a structure now goes forward for some reason or other without authority, then five years later the owners of that structure can come to us and say, "Will you consider this for approval?" This section in the statute gives us the authority to do that. In five years its merit or otherwise should be demonstrated. I think this is one section that badly needs to be inserted in the act.

Mr. Green: There are two types of works. I should like to deal first with the latter

group, the group the minister has just dealt with. Does he mean to say that a company can put in an unauthorized work, then use that work for five years with nothing to be done about stopping them or removing it, and that at the end of five years they get approval? That is the line of the argument he is making.

Mr. Winters: Not exactly.

Mr. Green: What is the sense of that? The applicant can put in this pier and use it for five years.

Mr. Winters: Not if it is a structure that interferes with navigation.

Mr. Green: He can use it for five years anyway, apparently. Then as long as he gets approval after five years, he is all right.

Mr. Winters: In the meantime, if it interferes with navigation it falls under another section of the act and he can be required to remove it.

Mr. Green: Then the other branch is the case where he has not commenced the construction but where he comes and gets a letter from the minister before starting construction. For the life of me I cannot see why there should be such great urgency in that case. They cannot build a pier or they cannot build a bridge without getting their plans made. Under the act the only delay is that they must give one month's notice of the deposit of the plan and they must advertise in two papers.

Mr. Winters: But I am sure my hon. friend will recognize that there may be a case where a water main breaks. That has happened.

Mr. McIvor: That is right.

Mr. Winters: And in replacing the water main it was necessary to have regard to the navigational aspects of the river under which this water main was carried. It was simply impractical to wait one month to replace the water main. Some prior approval had to be given. It happened in the area of the Minister of Trade and Commerce.

Mr. Howe (Port Arthur): Perhaps I can give my hon. friend a case in point. He is familiar with Vancouver harbour. The Alberta pool wanted to put an extension on their grain elevator there.

Mr. Green: On what?

Mr. Howe (Port Arthur): On their grain elevator on Burrard inlet. My hon. friend knows the locality. The extension could not possibly interfere with navigation. It is back parallel to the shore line. The dock lies out there 200 feet in front of it. Nevertheless, that structure was built on a navigable water and they had to get a permit under the Navigable Waters Protection Act. Under the old machinery it takes something like two months to get a permit. The fact that the work had to be delayed until the permit was obtained has prevented us from using the elevator probably for the last month. Obviously a case such as that could be dealt with by the minister under this act, whereas it could not be dealt with in that way under the old one.

Mr. Green: That may have been a case in which this provision would have come in handy, but that is just the way in which you make bad laws, namely by passing them in order to fit particular cases. The delay under this act is only a matter of 30 days; one month's notice in the *Canada Gazette* and two publications in the local paper.

Mr. Howe (Port Arthur): Yes; but you must send the plans down from Vancouver.

Mr. Green: Surely anybody who might be affected is entitled to at least that much notice.

Mr. Winters: What about the case of a water main?

Mr. Green: As far as the water main is concerned, under the new subsection 2 of section 4 they are not obliged to get approval at all because they can be exempted under the powers the minister is given there to exempt them.

Mr. Winters: No. The cost will exceed $5,000 in every case.

Mr. Green: The trouble is that in order to meet one or two cases the minister is putting through a bill which takes away the rights of other people to protest and to have a hearing in respect of these applications.

Mr. Winters: Not at all.

Mr. Green: That is bad draftsmanship and it is bad practice.

Mr. Winters: That is not the case.

Mr. Green: I suggest that this business of the minister simply writing a letter to the effect that they can go ahead and start to build their elevator or build their water main without first having complied with the law again is showing a disrespect for parliament and for the statutes of this country. It is belittling parliament, and is just in line with the course this government has been following right throughout the present session.

Mr. Winters: I do not see how you can come to that conclusion.

Mr. Green: There is no use trying to convince the government. I have seen what has been happening here all during this session. Some day the Canadian people are going to catch up with the government and stop this kind of thing.

Mr. Winters: If the Canadian people have catching up to do on a section such as this, I certainly will welcome it.

Mr. Green: The Canadian people who are affected by these works, and whose rights may be affected, are entitled to be given notice and to have an opportunity to be heard.

Mr. Winters: They have.

Mr. Green: Here the minister is writing into the law a statute under which a work can actually be commenced without anybody being given notice, and actually without the minister himself having seen the plans. I submit that is entirely wrong. It is a case of just helping out some friends or somebody who wants to get on in a hurry, and let the other people who may be affected take their chance or lose out entirely. It is the wrong type of legislation, but I am not surprised that the government, in its present state of thinking, is bringing in amendments of this type.

Mr. Herridge: I just want to refer to clause 4, subclause 2, paragraph (b) which reads as follows:

> If five years have elapsed since completion of construction of the work—

I know in my own district there are quite a number of small structures, dolphins, piles and so on, that have been driven throughout the years without any authority whatever. I suppose that has happened on other rivers in Canada. It is understandable in view of the circumstances that existed years ago. Now, what does the minister do, shall we say, to legalize all these works when this bill is passed? Are the minister's officials instructed to investigate in the district and ask these people to make application to regularize them, or is it just left as it is? Do they have to bring this matter to the attention of the minister or the department? What is the procedure to regularize these illegal structures?

Mr. Winters: The onus is on them if they wish to have their structures made legal structures. It is up to them to take action, otherwise they run the risk of having to remove them.

Mr. Herridge: There are penalties under the act for illegal structures?

Mr. Winters: Yes.

Mr. Barnett: I am a little puzzled about this subclause 2 (b). What is the purpose in having this five-year period after the completion of construction? Why should an application not be made immediately, or as soon as the department is aware that certain construction is under way? Why should they not be required to apply immediately and publish notice in the usual way?

Mr. Winters: I do not believe the other sections of the statute would have any effect if people were allowed to go ahead and build structures without getting approval, and then subsequently upon application, receive approval. If anybody does build a structure without proper authority, then he must be prepared to wait five years. That is part of the penalty he must pay for building an unauthorized structure on a navigable water. Under the old act, if he built it subsequent to June, 1938, he could not get approval in any event.

Clause agreed to.

On clause 5—*Deposit of plans with minister and registrar of deeds.*

Mr. Green: Clause 5 covers the new sections 7, 8 and 9. The new section 9 reads as follows:

> In the case of a work in any navigable water under the jurisdiction of the national harbours board, a reference in this part, except in paragraph (a) of subsection 2 of section 5 and in section 10, to the minister shall be construed as including also a reference to the minister having the administration of the National Harbours Board Act.

Why should the Minister of Transport not be consulted and his consent required before one of these urgently needed jobs is undertaken? For example, I am thinking of the extension of the Alberta pool elevator in Vancouver harbour. The Minister of Transport is responsible for the administration of the national harbours board. All these great harbours of Canada are directly under his jurisdiction. This section is admitting, in effect, that in so far as national harbours are concerned the Minister of Transport should be consulted and his consent should be obtained. Why should it not be obtained in the case where the rules are to be thrown aside and the consent given by letter? Why should the Minister of Public Works be authorized to give a letter in respect of a work in one of the national harbours without getting the consent of the Minister of Transport?

Mr. Winters: I think it is idle to assume that the assent of the Minister of Transport would not be obtained. The hon. member seems to think this is a balkanized government, whereas there is great cohesion in it

as he, I am sure, knows. Before this section was drafted in this form there were long discussions among the officials of the Department of Transport, the officials of public works and the officials of the Department of Justice. I myself had discussions on this very point with my colleague the Minister of Transport. I can assure my hon. friend on something about which he seems to have doubt, that there is the very closest liaison between members of this government. I can assure him of this, too; that in any matter in which the Minister of Transport is interested his prior approval will be obtained before approval of any structure is granted under this statute.

Mr. Green: The Minister of Public Works is writing into this section that the approval of the Minister of Transport must be obtained for any work in a national harbour, which is quite correct. But then, he puts in the exception that such consent is not necessary where it is one of these urgently required works. I suggest it would be more necessary in a case like that than in the construction of ordinary works under the other provisions of the act.

Here an exception is being made and permission is going to be given to start construction of a work without advertisement or without notice to anybody, and the Minister of Transport is not asked about it. He is not required to give his consent. I suggest to the minister that those words should be taken out, "except in paragraph (a) of subsection 2 of section 5 and in section 10." Why is it that the Minister of Transport has to be consulted in every other case where there is a work going into a national harbour except where it is being done under the urgent provisions?

Mr. Winters: I am not clear on the import of the last part of the hon. gentleman's question. I think we have protected the situation here. We do not go beyond what the provisions are now. These matters are considered very carefully. We have the greatest regard for the interests of navigation. As I said this afternoon we intend to see that they are protected. There is no giving away. It is not easy to get a permit under the Navigable Waters Protection Act. All the steps must be taken and all the interested parties must be consulted. I can assure my hon. friend that will continue to be the case.

Mr. Green: The minister, for some reason or other, has written into this new section now that the Minister of Transport must be consulted with respect to all works to be put into a national harbour, with the exception of a work which is put in under the urgent provision. Let us go back to the case of the extension of the Alberta pool elevator in Vancouver harbour. Why should the Minister of Transport not give his consent to that short cut being taken? He has to give his consent if it is done in the regular way; that is, the plans are filed and advertisements are published. Because of the way the section reads now he does not have to give his consent if the minister simply writes a letter and says, "You may start construction". Why should his consent not be required?

Mr. Winters: It is simply to give initial approval, Mr. Chairman, to start construction, subject to his being able to qualify through the regular channels once that initial approval has been given.

Mr. Nowlan: Mr. Chairman, just before the clause carries, I call the minister's attention to subsection 2 of section 7 at the bottom of the preceding page. I am wondering about the draftsmanship of this subsection. I am not now discussing the merits of the bill. The subsection reads:

> Where there is no registrar of deeds for the area . . .

I think the registrar of deeds is an individual rather than an office. This refers to a person, but when you look at the explanatory note you see that it refers to an office, to the office of the registrar of deeds. This subsection says:

> Where there is no registrar of deeds . . .

Frankly I think this is draftsmanship the minister should scrutinize pretty carefully. The explanation is obvious. It says that this applies to the Northwest Territories, and that the plans shall be filed at Ottawa. But when you read the section you find that it is general and I suggest ambiguous. It says:

> Where there is no registrar of deeds for the area in which the work is proposed to be constructed—

I think it would have been better to say "Northwest Territories" and be done with it. I continue:

> —the duplicate of the plan thereof and the description of the proposed site shall be deposited in the nearest land titles office established under the Land Titles Act.

The explanation says that means it is going to be filed in Ottawa. I would suggest to the minister that there are numerous land titles acts in effect in various parts of Canada, and that there is considerable ambiguity in the drafting of this subsection. Perhaps the minister should give it pretty careful consideration before it finally goes through, because when you read the explanation it is very plain and very obvious. If the explanation had been made in the subsection there would be no trouble about it at all. As it reads at the moment I do suggest that some

day there could be a great deal of trouble with the land titles act of Alberta, or of Saskatchewan, for instance. I presume it refers to a federal act. I think it should be scrutinized and possibly amended before it finally passes.

Mr. Winters: I shall be glad to do that. I am not an expert on legal draftsmanship. I will have it scrutinized and if a change is required it will be made when the bill receives third reading.

Mr. White (Hastings-Frontenac): I should like to point out to the minister that in subsection 1 he uses the words "may deposit", and in subsection 2 he uses the words "shall be deposited". I understand it is compulsory that the plans be deposited, but apparently the wording—

Mr. Winters: It is the same wording as the old statute. It has been taken out of the original act.

Mr. White (Hastings-Frontenac): I know it is the same wording of the old statute. Certainly the words "may deposit" leave in my mind some doubt as to the interpretation being compulsory.

Mr. Winters: I shall look into that.

Clause agreed to.

On clause 6—*Regulations.*

Mr. Green: Mr. Chairman, clause 6 requires some explanation. Under the act as it stands at present all regulations must be passed by the governor in council. This new section 10 provides that the minister alone can pass regulations under part 1 of the act, but it leaves power to the governor in council to pass regulations with respect to all plans and sites which are approved under any other act of the parliament of Canada. Will the minister explain the basis for that division?

Mr. Winters: Well, Mr. Chairman, there are regulations required under some other statutes such as the Railway Act, and there are one or two others where the establishment of regulations by the governor in council is required. We are simply stating in this section that those provisions stand as they are, but that for the purpose of part I of the Navigable Waters Protection Act the regulation may be established by the Minister of Public Works.

Mr. Green: That seems to be going very far. The minister is given the power to make the decisions under this act. Surely it would be only reasonable to require him to submit the regulations to the governor in council for approval. Instead of that, because of the way this amendment is worded the minister himself not only makes the decisions but he also makes the rules.

I submit to the Prime Minister that that is not right. If there are to be regulations under this act and the minister is to be given all these very wide powers, surely the regulations should not be made by the minister; they should at least be made by the governor in council. I do suggest this section should be amended accordingly.

Mr. Winters: I am quite prepared to accept that suggestion, Mr. Chairman, and I would ask one of my colleagues to move that this particular section be dropped and that the section stand as it is in the old statute.

The Deputy Chairman: If I understood the minister correctly, one of his colleagues will now move that section 6 of the bill be deleted.

Mr. Pickersgill: I so move.

Motion agreed to.

The Deputy Chairman: Clause 6 is deleted.

Title agreed to.

Bill reported.

The Deputy Chairman: When shall the bill be read a third time? Next sitting of the house.

VETERANS BUSINESS AND PROFESSIONAL LOANS ACT

AMENDMENT WITH RESPECT TO GUARANTEED LOANS

Hon. W. E. Harris (Minister of Finance) moved the second reading of Bill No. 253, to amend the Veterans Business and Professional Loans Act.

Mr. White (Hastings-Frontenac): Is the minister going to make a statement?

Mr. Harris: Mr. Speaker, I do not think there is any point in my making a statement. At the resolution stage I explained fully the purpose of the amendment and certain observations were made by hon. members opposite. I gathered from those that they were in complete agreement with the purpose of the bill.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, despite what the minister has said, if he looks back in *Hansard* he will find that at the resolution stage he said that of the many questions asked some would be dealt with on second reading. I had hoped that when the minister spoke on second reading he would answer many of the questions that were asked by various members at the resolution stage.

As the minister will recall, when we were at the resolution stage members from all

parties in the house generally expressed their approval of this amendment and spoke strongly in favour of the benefits that had been conferred on veterans under this act. Various requests were made to the minister that instead of bringing in the amendment that he is now making the whole act should be extended for a period of 5, 8 or 10 years. On that occasion the minister stated, as reported at page 3295 of *Hansard*:

> It would not be our intention to extend the time unless there are very good reasons for it.

The minister recalls the debate at the resolution stage. Many reasons were advanced why the act should be extended. The minister was questioned as to whether or not it would be necessary to have any further staff and whether there would be any further expense if the act were extended, and he said no. He also agreed that the act would be in force—or at least the administrative sections would be in force—for a long time to come in order to collect the loans that had been made and to take care of the applications that had been made by veterans of the Korean war and by other veterans who are now serving in the armed forces.

It would perhaps be interesting if the minister would tell the house how many veterans would be affected by this amendment. By that I mean the number of veterans apart from Korean veterans who are not really affected by the amendment because their 10-year period has not run out.

According to the report in *Hansard* the minister gave the impression there had been only one application not dealt with because the 10-year period had expired between the date the application was made and the date the loan was granted. I think the minister will find there have been many other applications, because in the report of the Department of Veterans Affairs he will see there have been well over 7,000 applications. I believe in the last year reported there were somewhere between two and three hundred applications.

As one hon. member pointed out at the resolution stage, applications for assistance are still being received under the Veterans' Land Act. In view of that it seems only reasonable that this act should be extended for a further period of time.

There were other points raised. One was the question, which I thought surely the minister would answer, concerning a veteran of the Korean war who stayed in the army. Let us suppose the Korean veteran was to be discharged in 1958. Does that mean he will have 10 years from the date of his discharge in which to apply for assistance under this act? I ask this question because the parliamentary assistant to the Minister of Veterans Affairs said he may be entitled to it. I do not know whether he used the word "may" intentionally, but at page 3297 of *Hansard* the parliamentary assistant is reported as saying:

> . . . he may become entitled to the benefits of this act because this act says "ten years after the date of discharge".

He then goes on to state the matter is now under discussion.

There is the other case, Mr. Speaker, of a Korean veteran who is discharged, later re-enlists and serves for a further period and is then again discharged. From what date would his 10-year period operate? Would it be from the date of his first discharge or from the date of his second discharge?

I have several questions here which I wish to ask the minister and I hope he will be able to give us the information. The first question concerns the total number of applications made to date under this act.

Second, the total number of applications that have been refused by the bank, and the number of applications that have been refused by the minister or his officials.

Third, the total amount loaned to date, the total amount that has been repaid, and the total amount that is in arrears at the present time.

Fourth, what is the amount paid by the department to the banks to date to cover losses, and what is the total amount written off as bad debts as of this date?

Fifth, would the minister tell us if there have been any prosecutions under section 10 of the act? If there have been any prosecutions, what is the total amount of the fines paid by veterans? I would also be rather interested in knowing the amount of the largest fine paid by any veteran.

Sixth, under section 11 of the act, whereby the minister may take over the loan from the bank, how many such loans has the minister taken over? What recovery, if any, has the minister been able to make?

Seventh, would the minister be able to tell us approximately how long it takes to process a loan of this nature? Could he also tell us if all the chartered banks share fairly equally in the distribution of these loans, or are there only two or three of the chartered banks which handle the majority of these loans?

In conclusion, I would again appeal to the minister to very seriously consider the extension of the administrative section of this act.

Mr. Harris: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): If the Minister of Finance speaks now he will close the debate.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, there is just one point I should like to place before the government, arising out of the fact that this Veterans Business and Professional Loans Act is in effect the joint responsibility of the Minister of Finance and the Minister of Veterans Affairs. The Minister of Finance, of course, deals with the guarantees to the banks, but the Minister of Veterans Affairs is responsible for deciding whether or not a veteran is qualified. For example, section 4 subsection 1(i) provides that:

> The application for the loan was concurred in before the loan was made, by the Minister of Veterans Affairs or his authorized representative as defined by the regulations.

And then section 8 provides:

> The governor in council may on the recommendation of the minister—

That is the Minister of Finance.

> —and the Minister of Veterans Affairs make regulations for any purpose for which regulations are contemplated by this act—

And so on. Section 12 of the act provides:

> The minister may pay any amount payable to a bank under this act out of unappropriated moneys in the consolidated revenue fund and the minister and the Minister of Veterans Affairs may pay any amount necessary to meet the expenses incurred in the administration of this act out of moneys appropriated by parliament for the purpose.

Just how they decide who is to pay which I do not know; but in effect this is a joint act.

I believe I must protest again tonight, as I did in speaking in the throne speech debate on January 23, 1956, that Canada still has a Minister of Veterans Affairs who is holding two portfolios. I think that means adequate justice is not being done to the veterans of Canada. The Minister of Veterans Affairs was asked about this at the Canadian Legion convention in Vancouver a week ago today; at least the report from which I am reading was published a week ago today. I am reading from the Vancouver *Province* of June 11, 1956:

> Asked from convention floor if the government was going to restore Mr. Lapointe to a single portfolio in the cabinet, the minister—who recently became Postmaster General—assured the convention that the additional duties have in no way interfered with his responsibility to the veteran.

Now, I am not criticizing—

The Acting Speaker (Mr. Applewhaite): Order. I hesitated to interrupt the hon. member but I think perhaps I should. The hon. member for Hastings-Frontenac who preceded him placed a lot of very general questions on the record in connection with this one-section bill which we have before us. I have in my hand from the *Journals* of 1949 the ruling of Mr. Speaker in which he is discussing what is and what is not relevant when an amending bill is before the house. I shall read just a part of it from page 237, as follows:

> On the second reading of an amending bill—

Hon. members will notice that this is an amending bill.

> —it is the principle of the amending bill, and not the principle of the act to be amended, which is the "business under consideration". The discussion must therefore relate exclusively to the principle of the amending bill.

If I may paraphrase, that principle is that certain loans shall be made if application has been made within the time limit, even though the loan was not made at the expiration of the time limit. I think I must ask hon. members not to broaden this discussion to the administration of the Veterans Business and Professional Loans Act, and certainly not to the administration of the Department of Veterans Affairs, which criticism and discussion I think would be much more appropriate under the departmental estimates.

Mr. Green: I submit that this amending bill has to do with applications for loans, and part of the process of getting through an application for a loan is to get the approval of the Minister of Veterans Affairs. I submit that I am in order in dealing with the fact that the Minister of Veterans Affairs is only a half-time minister so far as this department is concerned. That is one reason there has been so little veterans' legislation come before us this session. I think this bill and perhaps one other—I am not sure whether there was one other—represent the only veterans' legislation brought before this 1956 session of the house.

I place the blame for the failure to appoint a full-time Minister of Veterans Affairs directly at the door of the Prime Minister. It is his responsibility to see that these portfolios are properly manned. If he were giving leadership to this country as he should be doing he would have had a full-time Minister of Veterans Affairs appointed a long time ago, or he could perhaps have relieved the present Minister of Veterans Affairs of the necessity of looking after the portfolio of Postmaster General. I repeat that this situation is unfair to the veterans of Canada, and it shows a lack of leadership on the part of the Prime Minister.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am afraid I am not going to be any more in order than was the hon. member for Vancouver-Quadra. I cannot

imagine any statement that would receive less support in the house than the one he has just made.

Mr. Green: On the Liberal side.

Mr. Harris: And on the opposition side, because there is not a single member of the opposition who has dealt with veterans' affairs in the past who does not know that the heart and soul of the minister are in his work concerning veterans, and that work has resulted in great benefit to the veterans. If my hon. friends opposite are not aware of that, those on this side of the house are. The minister is quite competent and capable to handle both jobs without either one suffering.

An hon. Member: Superman.

Mr. Harris: We do not claim to be supermen on this side, though that is something which occasionally breaks out on the opposition side. I have been waiting for someone to object to the remarks I have just made, and it is quite evident that no member of the opposition is going to do so.

Mr. Knowles: We believe in obeying the rules.

Mr. Harris: When a government member is speaking, but when you choose to be out of order you think we ought to be indulgent, and that the Speaker ought to be indulgent as well.

Mr. Knowles: Will the hon. minister please address the Chair?

Mr. Harris: A good many questions were asked in connection with this particular bill, and naturally I cannot answer them on second reading, though I am prepared to do so in committee of the whole. I must repeat that I have listened twice now to what the hon. member for Vancouver-Quadra has said about my colleague the Minister of Veterans Affairs, and I am quite prepared to say again that I doubt if there is a veteran in this country who feels that his rights are being neglected.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1.

Mr. Harris: The hon. member for Hastings-Frontenac read out so many questions that it was impossible for me to make notes in order to answer them, but I think I should answer generally the points he raised and then perhaps he can ask other questions or he may accept some advice from me about them. The purpose of this bill is to provide a beneficial amendment which will permit persons who have applied for the benefits of this act but whose applications were not dealt with by the time the 10-year period elapsed to obtain the benefits of this act.

When I spoke at the resolution stage I said that I knew of one case only to which this amendment would apply, but I assumed that there would be others in future because of the fact that the 10-year period had not elapsed in every case. Since April 26, when we discussed this last, there have been three more cases come to my attention, so that at the moment the amendment will apply to four veterans. Presumably there will be others.

A general discussion about the act itself, how many applications have been made under it, how much has been advanced, how much has been received and so on, seems to me to be somewhat out of order. Even if it were in order I would point out to my hon. friend that just recently I tabled in the house a report on the operations of this act for the year ending March 31, 1956. That report which is made annually contains full information about the loans made in each year. That report is before the house and would be available to the hon. member for Hastings-Frontenac.

I doubt if I could give any more information than would be contained in the report, but if there is a particular case or particular matter not covered by the annual report I shall be glad to look for that information.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall continue with this and then take up the farm improvement loans amendment, then the resolution in the name of the Minister of Citizenship and Immigration, then the resolution in my name with respect to the Public Service Superannuation Act.

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

ANSWER TO QUESTION

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

NATIONAL HEALTH AND WELFARE—HOSPITAL DESIGN DIVISION

Question No. 519—**Mr. Forgie:**

Question

What is the nature of the services made available by the hospital design division of the Department of National Health and Welfare?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

The hospital design division of the Department of National Health and Welfare provides a consulting service to all agencies interested in the design and operation of hospitals, and co-operates with the provinces in promoting sound planning of health institutions of all types.

A constant research program in the field of hospital construction is maintained by this division. The information is compiled and made available to those interested in that field when requested.

All plans submitted by hospitals on behalf of which the provinces request assistance under the national health program are reviewed by the hospital design division to ensure that such plans conform to the general standards of hospital construction as prepared by this division, and to determine the amount of federal assistance. These minimum standards have done much to ensure reasonably good accommodation for patients throughout Canada.

HOUSE OF COMMONS

Tuesday, June 19, 1956

The house met at 2.30 p.m.

MISCELLANEOUS PRIVATE BILLS

Twelfth report of standing committee on miscellaneous private bills.—Mr. Henderson.

HOUSING

MORTGAGE MONEY—PRESS REPORT OF REMOVAL OF CREDIT RESTRICTIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. What is the minister's comment on the press report from Edmonton that Senator Croll had declared that credit restrictions on mortgage money for the building of homes will probably be relaxed some time about August 1? Is this prediction correct?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I do not think I am called upon to comment on speeches made outside the house, but I shall just add that I presume the senator was expressing his own opinion. I am sure he had no knowledge from me as to when the credit restrictions might be changed.

ATOMIC ENERGY

BRITISH COLUMBIA—REPORTED RADIOACTIVE RAINFALL

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he is now in a position to answer my question of June 15 when I asked:

> Under whose authority were Canadian citizens in British Columbia recently subjected to radioactive rainfall, and what measures is the government proposing to take to ensure that Canadians will never again be subjected to that sort of thing?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, after the hon. gentleman asked me this question the other day I approached him privately because I wanted to have a clear understanding as to precisely what he had in mind. I understand that what he had in mind was that he wanted to know whether or not the government of Canada shared in decisions as to whether experimental atomic detonations would take place. The answer is no.

LABOUR CONDITIONS

NEWFOUNDLAND—OVERTIME AND WAGE RATES ON FEDERAL WORKS AT LA SCIE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Labour. Will the minister investigate a report that construction companies engaged on federal work at La Scie, Newfoundland, are working men 60 hours per week with no overtime rates except for hours in excess of 60 hours per week, and that local men are being paid less than men from the mainland for the same work; and will the minister take steps to ensure that proper employment practices are followed ir this area?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, the hon. member was kind enough to send me notice of his question. Two contractors are engaged at La Scie, Newfoundland. Gulf Maritime Construction Limited is working on a harbour development project under a contract with the Department of Public Works. This is part of a federal-provincial joint project for the improvement of the harbour and the construction of a fish plant. Terminal Construction Company Limited is working on a project for the United States army corps of engineers.

Wage rates and hours of labour for workers employed on both contracts are governed by the federal Fair Wages and Hours of Labour Act. The statutory hours of labour under this act are 8 per day and 44 per week. These statutory hours can be extended by the Minister of Labour in emergency circumstances.

On the urgent representations of the parties concerned that emergency conditions existed justifying an extension of the hours worked, both contractors were given authority to extend hours to a maximum of 10 per day and 60 per week. The overtime authority issued to these contractors included the following conditions:

(a) That no employee be required to work in excess of such maximum hours;

(b) that penalty overtime rates may be invoked in connection with the provisions of section 2 of the labour conditions forming part of the contract;

(c) that payroll records be maintained showing all hours worked by each employee in excess of the statutory hours, and

(d) that all subcontractors be informed of these conditions and be required to give effect thereto.

Our Newfoundland officer located at St. John's has been instructed to investigate the complaint that the companies concerned are working their employees in excess of the authorized hours and paying local workers less than mainland workers for the same work. He has also been instructed to investigate and determine whether the companies should be required to pay penalty overtime rates for hours worked in excess of the statutory hours.

BUTTER

INQUIRY AS TO SALE TO DISTRIBUTORS IN CANADA

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): In the absence of the Minister of Agriculture I should like to ask the Prime Minister if a large quantity of 1955 surplus butter has been sold to large distributors in Canada at much less than the cost price to the government.

Right Hon. L. S. St. Laurent (Prime Minister): I shall have to take the hon. gentleman's question as notice and inquire from the proper officials who are handling the butter situation. I shall make a reply as soon as I get the information.

VETERANS BUSINESS AND PROFESSIONAL LOANS ACT

AMENDMENT WITH RESPECT TO GUARANTEED LOANS

The house resumed, from Monday, June 18, consideration in committee of Bill No. 253, to amend the Veterans Business and Professional Loans Act—Mr. Harris—Mr. Robinson (Simcoe East) in the chair.

On clause 1.

Mr. Gillis: I wonder if the parliamentary assistant might give us an explanation of the changes in this bill, and who is affected by them.

Mr. Harris: If I may do this, I might say that I went into it last evening and made it clear that the persons who would be affected by the amendment would be persons who were entitled to the benefit of the original act and who had applied for that benefit but had the 10-year period elapse before the application was completed. It is a relieving amendment which will help those who, for one reason or another, had left off applying until too late to get the processing done in time.

Mr. Hansell: The minister mentioned last night that only four cases had been brought to his attention. I should like to know, for personal reasons, whether the case I brought before him not so long ago is one of those cases, and if he thinks this case comes within the purview of the amended act?

Mr. Harris: I must apologize for not having the particular case in mind. I know the name of the gentleman concerned, but I am not familiar enough with the facts to say that it does. I think I can say this. If the veteran my hon. friend has in mind had applied within the 10-year period this will undoubtedly aid him. If he had not applied within the 10-year period, it would not.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS TO PROVIDE FOR NEW THREE-YEAR POOL, MAXIMUM GUARANTEE OF LOANS, ETC.

The house resumed, from Tuesday, May 1, consideration in committee of Bill No. 208, to amend the Farm Improvement Loans Act—Mr. Harris—Mr. Robinson (Simcoe East) in the chair.

The Chairman: When the committee rose previously we were considering clause 5. Shall this clause carry?

On clause 5—*False statement in application for loan or misuse of loan.*

Mr. Nowlan: There was an amendment moved in the committee at the last sitting that was before us when the committee rose. I presumed the minister would have some comment to make.

The Chairman: Order. Perhaps I should read the amendment to refresh the memories of hon. members. It was moved by Mr. Fulton that clause 5 be amended by striking out subsection 2 thereof.

Mr. Harris: Mr. Chairman, on the occasion of our previous discussion we had a good deal of explanation of this particular clause, and I stated at the time that I was under the impression this was a necessary provision having in mind the fact that these loans are spread over a good many years and that normally an offence against the act is not known until default may have occurred in the repayment of the amount concerned, and that is why we have the provision in the penalty clause.

I should like to point out to hon. members that this follows the same wording, with only one minor necessary change, contained in section 111 of the Unemployment Insurance

Act. We felt that the circumstances here justified a certificate being granted by the minister under the conditions set out here, or by someone on his behalf, which would act as conclusive proof of the date on which the minister became aware of the offence.

Mr. Nowlan: May I ask a question here? Is the minister referring to a statement which has to be in writing, following the same language as in the Unemployment Insurance Act, or is he referring to the unlimited period in which a prosecution can be instituted?

Mr. Harris: Both. Section 111 has the two subsections, the first one being No. 3 in the bill we are now discussing and the second one being No. 4.

Mr. Nowlan: Mr. Chairman, the minister has told us that there is a similar provision in the Unemployment Insurance Act. I am rather surprised that provision is there but, of course, there is a great deal of difference between the provisions of the Unemployment Insurance Act and an act to provide for loans to farmers. There may or may not be justification for that section in the Unemployment Insurance Act. I do suggest, as was urged on May 1 when this was last before us, that there is no justification for this section in the present bill. The amendment which was moved by the hon. member for Kamloops should commend itself to the committee and also, I would say, especially to the house leader and to all hon. members.

I can tell the minister, for instance, that we have a similar act to this which was passed last year, namely the Canadian Fisherman's Loan Act, and it does not contain any such provision. Yet the situation is parallel, or certainly analogous. In one case loans are made to fishermen, and in the other to farmers. The department and this house did not see fit to include such a provision last year. We have the Canadian Farm Loan Act, which I have gone over rather carefully. There is no provision similar to this or in any way comparable to it in the Canadian Farm Loan Act, although there the loan may run for a period of 25 years, as the minister knows; yet such a provision is not contained therein.

I presume the minister's research staff has given considerable attention to this, and apparently the only matter the minister has been able to turn up which is comparable in wording at least—though I do not think it is comparable as far as the principle of the legislation is concerned—is the provision in the Unemployment Insurance Act, which I have not had an opportunity to read since he mentioned it. I presume in that case if a man has made false statements and misled the unemployment insurance commission and thus obtained unemployment insurance when he should not have obtained it, there might be some possible reason for such a provision.

Just to recapitulate for a moment, and without unduly taking the time of the committee, I want to emphasize, Mr. Chairman, that we are considering clause 5 of the bill which re-enacts section 8 of the original act. I shall read the clause which is being re-enacted:

> Any person who makes a statement in an application for a guaranteed farm improvement loan that is false in any material respect or who uses the proceeds of such loan for a purpose other than that stated in his application, is guilty of an offence—

These are the critical words to which I would draw the attention of the committee.

> —and liable on summary conviction to a fine of not more than $500.

In other words, Mr. Chairman, as you very well appreciate and as those of us who are lawyers appreciate, this invokes the provisions of the summary convictions act, the federal act which is a part of our Criminal Code and therefore we would have the time limits of that act invoked were it not for the succeeding section which goes on to say:

> Proceedings for an offence under this section may be commenced at any time—

I repeat:

> —at any time, within 12 months from the day on which evidence, sufficient in the opinion of the minister to justify prosecution for the offence, comes to his knowledge.

That is the particular point to which I wanted to draw the attention of the committee. As was said the other night, subsection 4 provides for a certificate signed by the minister or by someone authorized by the minister. I think that is going rather far afield, but at the moment I am not quarrelling with that wording. I do realize it is standard practice today, and it is obviously a wise practice. Instead of bringing witnesses before a court and proving certain things you can simply accept the signature. As far as I am concerned I would not quarrel with the signature of the minister or someone authorized on his behalf. What I am quarrelling with and suggesting is wrong and improper is the provision in this bill which permits the prosecution to be brought on at any indefinite time in the future provided it is within 12 months after it has been brought to the minister's attention.

As the hon. member for Kamloops pointed out the other night, and I think I did as well, the Criminal Code has a period of limitation. There are various offences under the summary convictions act, and most of those can be prosecuted only within a period

of six months after the commission of the offence. As the hon. member for Kamloops pointed out even in treason, which is a capital offence—or was under the old code and I suspect it still is although I have not checked it; in any case it is one of the most serious offences with which a man can be charged—the information must be laid and the prosecution instituted within three years from the date of the commission of the offence. Here you have a section which says a man may be prosecuted within 12 months after it has come to the attention of the minister and it may not come to the minister's attention until 10 or 15 years after the alleged offence has been committed. The minister said it would not be advisable to have this extended, but I do not accept that for a moment.

I would point out that as I see it there is nothing in this section which ties in with the time limit even after the expiration of the loan. In other words a farmer may have repaid a loan, we will say within eighteen months, and then forgotten about it; yet under this bill it would be theoretically possible to bring a prosecution eight years afterwards. I am not saying, and the minister knows this very well, that a responsible minister of this government is likely to do such a thing. We realize that practical common sense will probably be applied to the application of this legislation, but I am asking if that is a satisfactory answer to this committee.

We are establishing a precedent here. I admit that there may have possibly been an unfortunate precedent established in connection with the Unemployment Insurance Act, but if so two wrongs do not make a right. The mere fact that we happened to have made a mistake, if we did make one, is no reason why we should make another.

The Minister of Finance, the house leader, has been a practising lawyer. He has been brought up in the school of our law and has carried on a country practice. He knows the general background of this whole problem. I suggest to him as a man with that background and with that training—I know he cannot answer personally, but I am putting it to him that he knows the answer—that a provision such as this is not in keeping with our concept of the law and would establish a most unfortunate precedent. If we have a period of limitation for the most serious offences which are prescribed by our law, then I suggest that certainly there should be one for this.

One could speak on this indefinitely, but I do not propose to do so. I am not trying to delay the committee, but I do submit that the amendment which is before this committee is one which should commend itself to all hon. members. It is not striking anything pertinent out of the bill, it is simply striking out this provision. I would even be willing to have the amendment amended by having some provision inserted whereby a report in writing could be made rather than actual evidence being submitted. It would be acceptable to me to have a document signed by the minister, or by someone authorized to sign on his behalf, taken as evidence. I would go that far, but I am completely opposed, and I trust this committee is opposed, to a provision being inserted in this particular legislation dealing with farmers, who I think are as honest as most classes in our community, whereby they shall be put in a special category.

It would be theoretically—I emphasize that —possible for an agent of the Department of Finance or the Department of Justice to institute proceedings against a man when he had forgotten completely the particulars of the transaction. I say that is wrong. Just a few days ago we had before this house a bill to amend the Income Tax Act to cut down still further the period allowed under that act. There the Department of Finance has fixed a period of six years except in cases where fraud can be established. Why should we depart from all accepted principles on this occasion, particularly when we are bringing this bill within the provisions of the summary convictions act, when the Criminal Code provides certain limitations? Having done that, why should we in this particular instance provide for prosecution being taken at any time, not only in the lifetime of the present minister. The minister is not an individual; he is the head of the department.

It is possible that a prosecution could be conducted 20 years after the loan had been made and after it had been repaid. I suggest that is not right. We should not be departing so far from principles which have always guided and governed this country in connection with prosecutions.

This is a quasi-criminal offence. Once we have begun breaking down the precedents that have been established, although, as I have said, probably no injustice would follow from it directly, then some other government of some other party may be in control of Canada and it can say, "Here is a precedent that has been established." The statute of limitations would have been wiped out, and the precedent would have been established by this government; therefore people would say it must be good because it was established by a party which had been in control here, and so on and so forth.

I suggest to the minister again that he give this further consideration and try to amend that clause so as to take out that particularly obnoxious part.

Mr. Harris: I have no objection to removing the words to which my hon. friend referred a while ago. They occur in the nineteenth and twentieth lines on page 2, beginning after the word "minister":

—or by any person purporting to be acting on his behalf.

In my opinion there is no reason why the minister should not make this certificate, since he would be the one that would have peculiar knowledge of the facts contained in it. If it is the wish of the hon. member who is speaking on behalf of the gentleman who moved the amendment to put that in that form, I should be agreeable to it.

Mr. Nesbitt: For my colleague, in reply to the minister, there is something in this same paragraph to which I should like to direct the minister's attention. The wording under subclause 1 is:

Any person who makes a statement in an application for a guaranteed farm improvement loan that is false in any material respect . . .

I would gather from that, Mr. Chairman, that there is no question at all of intent here. It is merely a simple statement of fact that is false in any respect. In other words it could be a simple innocent statement in which a person might give some false information on the application. In view of what has been said by my colleague from Digby-Annapolis-Kings it would seem bad enough to have no time limit for the starting of a prosecution even if there were guilty intent, but here there is no time limit under which prosecution can be begun even in the case of an innocent mistake.

I should like to suggest to the minister with respect that in the second line, after it says, "Any person who makes a statement in an application for a guaranteed farm improvement loan",—the words "with intent to defraud" be added. Then it would carry on, "that is false in any material respect."

The addition of those words, "with intent to defraud", would improve the clause very much. As it is at present, a farmer making an innocent mistake in an application could be prosecuted 20 years afterwards and be fined or, if he did not meet the fine, could be sent to jail. I know it is not very likely, but with the wording of the clause at the moment that is what could happen. It does not seem proper that a person should be punished for the quasi-criminal offence of a simple statement of fact and a statement of incrimination. I feel that could easily be cleared up by adding the words "with intent to defraud." As the minister well knows, being in the profession, evidence could be given to prove intent, and I think the clause would be materially improved by making that suggested addition.

Mr. Hamilton (York West): It would be difficult to add very much to what the hon. member for Digby-Annapolis-Kings has said in connection with the shortcomings of this clause. As a matter of fact I welcomed the indication by the Minister of Finance that he feels there is some defect in this clause and is prepared to do something about it. Coming on the heels of what the Prime Minister did last night in dealing with clause 6 of the Navigable Waters Protection Act, that gives us some assurance of an indication of a desire to take care of some of these very important small points in connection with legislation of this type.

I for one welcome the indication that these sections are being studied in that manner. I do not think, however, that merely by deleting this one sentence we are going to have the solution of the problem this particular section raises. Although it has been mentioned that a similar section is contained in the Unemployment Insurance Act I cannot help but feel that apparently in the various acts of a similar nature such as the Canadian Farm Loan Act there has been no thought of including such a penalty section.

I have looked at the Canadian Farm Loan Act and I find that, under section 7, (i) and again under section 20, subsection 7, when people use the money improperly the act says that under certain circumstances they must give it back. In coming forward as the minister has to deal with the question of the certificate, he is only doing in that case what I notice is provided for in the Financial Administration Act, chapter 116, section 89, subsection 2, where it says that where money has been improperly used the minister himself gives a certificate to that effect in connection with the improper use of the same. This seems to be going one step further than has been done in similar legislation.

The suggestion made by the hon. member for Oxford was the subject matter for an amendment, as I recall it, previously voted down by the committee. But certainly if this section giving the right to prosecute after several years is going to be retained, I think we might give a second thought to the provision dealing with intent to defraud. Our other penal statutes ordinarily permit us to go back a great length of time if there is proof of intent to defraud. I think the Minister of National Revenue knows that provision is contained in his legislation. There is a place where you stop under one set of

circumstances, but if there is intent to defraud there is permission to continue to go back in order to obtain the evidence and prosecute. So I would say it is a step in the right direction here, the one that has been suggested, but it still does not solve the crucial problem in connection with this legislation.

I might point out one other thing to the Prime Minister. I find that section 6 of this legislation indicates that if this act is passed after March 31 it is to be considered as having come into effect on April 1 of this year. I say we are then making this retroactive legislation.

Mr. Harris: On the contrary. The act ran out on March 31 and we are trying to continue the benefits for the farmers from that date.

Mr. Nowlan: The section did not run out.

Mr. Hamilton (York West): Let me say this to the minister. What you are doing is taking us back to April 1 and including the additional penal section you have put into this legislation.

Mr. Harris: Yes; but I am quite prepared to drop the penalty section if you will drop all the guarantees we have made to the banks in the meantime.

Mr. Hamilton (York West): That is a rather facetious remark—

Mr. Harris: Not at all.

Mr. Hamilton (York West): —in view of the argument I am making. I say this to the Prime Minister as well as to the Minister of Finance, because I recognize what the Prime Minister did last night. Here is an indication that we are making a particular additional section effective as from April 1; and to anyone having any knowledge of this type of act it is obvious that this is a quasi-criminal section. As such it should not be part of a retroactive piece of legislation.

Perhaps in finally arriving at a satisfactory solution to this difficulty, if the legislation is going to include the words dealing with the intent to defraud, and if it is finally going to end up with the deletion of the provision that anyone can certify for the minister, then it may be possible that section 6 as well should be amended in some way to ensure that this particular section is not effective from April 1.

Here is what is happening. It may be that the circumstances upon which a prosecution may later be based may have taken place between April 1 and June 19, when a person has made his application, whatever it is. There may be circumstances which, under this legislation, 20 years from now will result in a prosecution. I say that under those circumstances this very definitely is bringing into effect in a retroactive manner a quasi-criminal type of legislation.

I therefore say, Mr. Chairman, that there is a great deal of merit in the amendment that is before the committee at the present time. If that amendment should not be carried, then I commend again to the Minister of Finance the words of the hon. member for Oxford and, prior to that, the amendment which was proposed by the hon. member for Peel. You can still rectify this situation by including the wording "with intent to defraud"; by deleting the words you have suggested should be deleted, and by subsequently amending paragraph 6. Those are things I think any prudent man would take into serious consideration.

Mr. Knowles: Mr. Chairman, there is just a brief word I should like to say. It seems to me that if the minister insists—as I hope he will not—on the retention of subclause 2 in clause 8, the very least he can do—in fact he should not even have to be asked to do it—is to remove the words he has offered to remove from lines nineteen and twenty on page 2. But I do not see how the minister can think that by making that offer he meets the basic objection which has been made from this side of the chamber to subclause 2 of clause 8. After all, the real evil in this clause is in lines thirteen and fourteen where authority is given to commence an action at any time within 12 months from the day on which evidence comes to the knowledge of the minister. All I am suggesting at this moment, Mr. Chairman, is that these things must be looked at separately.

I can hardly conceive that the minister is trying to make a trade, that he is suggesting to the opposition that the amendment moved by the hon. member from Kamloops be dropped in return for the minister's offer to drop these words from lines nineteen and twenty. They are two totally different things. What the minister has offered to drop out is the least objectionable part of this subclause. He has not yet met the argument regarding the most objectionable part of it, namely the authority to enter proceedings for an offence literally at any time provided it is within 12 months after the day on which the evidence comes to the minister's knowledge, no matter when he obtains that evidence. Perhaps we can debate that point under some other heading or in some other relationship, but I believe the two points should be kept separate.

Mr. Harris: In what I said, Mr. Chairman, I did not intend to have any reference to subparagraph 3. I was referring to subparagraph 4, because it was at that point that the hon. member for Digby-Annapolis-Kings completed the statement he was making. I was not intending to suggest that my amendment would meet the objections he had to the preceding subparagraph.

Mr. Quelch: Mr. Chairman, I think the various members who have spoken have made a good case for the passage of the amendment moved by the hon. member for Kamloops. When we had this bill before the committee we were told by the deputy minister that the record under this act was exceptionally good in so far as the question of repayment was concerned. Repayments had been good.

In the light of that fact it is hard to understand why the government at this time should see fit to introduce an amendment of this kind. Are they anticipating that conditions are going to be so tough that the farmers in order to get loans are going to be driven to methods that are wrong, and then will that action be hanging over the farmers' heads indefinitely? The farmer will never know whether, 20 years from now, the government may come along and say that he signed the document wrongly, and the minister will then be in a position to take action of any kind within 12 months from that date. It does not seem a very satisfactory condition so far as the farmer is concerned. I cannot understand why the minister should now consider it necessary to introduce this amendment when the act has operated so satisfactorily in the past.

Mr. Harris: I do not want anyone to misunderstand the reason for this, and there seems to be some misunderstanding. When an application has been granted and a loan made, you must remember that this is a guarantee of the government of Canada. It is not a loan by the government of Canada. There is nothing here comparable to the Canadian farm loan board, in which case the government of Canada makes the loan. In this case the bank makes the loan and all we do is guarantee it under the conditions set down in the Farm Improvement Loans Act. Now, if everything goes well, the money is paid and that is the end of it. We never hear anything more about it.

But when something goes wrong, when default occurs and the bank then asks us to repay the loan or pay the amount of money we guaranteed, that is the first time the government of Canada can have any information about it and can ascertain whether there has been some kind of misrepresentation such as we describe here. That is the reason it has been thought necessary to ask that the power to prosecute should start from that date and not from the date of the making of the loan by the bank, because we have nothing to do with the original making of the loan.

Under those circumstances I suggest to hon. members that if we are to be responsible for these bank guarantees, surely we ought to be in the position of having the right to prosecute within a very short time, namely 12 months, after the first time the offence comes to our attention.

It would be the reverse if we were dealing directly with the borrower. I quite agree with my hon. friend from York West when he speaks of the Canadian farm loan board. In that case we have the original opportunity to decide whether any fraud has in fact occurred, or any misrepresentation of a material nature. That is the reason for this. There is no suggestion, and I am sorry to say this, that there has not been difficulty in the past. There have been many cases in which we have found that there has been an effort made to conceal the true facts from the bank in the first instance. I do not know why anyone considers that the government of Canada should not be in the position of having some power to act, both in the punitive sense as well as in the sense of, shall I say, avoiding trouble, in the provisions of a statute of this kind.

If I may answer some of the questions already put, no one supposes that if an applicant described a farm lot number incorrectly, any magistrate would, in any sense of the word, convict. But the point is that if there is a deliberate misrepresentation of assets or if there is a deliberate statement that the money will be spent for the payment of certain liabilities and later it is found the money has been diverted for other purposes, it seems to us there ought to be a penalty for that because this is a beneficial statute in favour of farmers, just as there are beneficial statutes in favour of other people. There ought to be a proper method of showing that the taxpayers' money is not to be used lightly in this way.

Mr. Nesbitt: In view of what the minister has just said, unless I have misunderstood him he has clearly indicated that the whole intent of this section is to deal with intent to defraud and not with an innocent mistake. The way the section is worded, however, it appears clear that any farmer who makes some mistake, albeit an innocent one, in his application could be prosecuted some time afterward. In view of what the minister has

said I think it should be made clear that the section is aimed at the intent to defraud, and I cannot see anything objectionable in making that request.

Mr. Pallett: I think the Minister of Finance has made a very good case for taking the section right out altogether. He has said that the government guarantees the loan to the bank. Then what do the banks do for the government? Do they not accept any responsibility themselves when making these loans? They are the people who interview the applicants and they should be the people who have the responsibility for certifying to the government that these loans are proper loans. The government is trying to go right through the person who is receiving the profit from the loan to the farmer who is obliged to borrow the money in the first instance. When you suggest that you cannot find out what is wrong with the application until default has occurred, that indicates to me that the people whom you have authorized to make these loans are not properly carrying out their duties.

If that has been the history, then I suggest there should be some penal provision against the people making the profit and not the people who seek to get the loans. Obviously the breakdown is in the people who are receiving the applications not taking the care before the loans are made that they would take with a loan that was not guaranteed. Of course it is possible that the recent position in which the minister has been placed has caused him to think like a banker rather than like a member of the government.

Mr. Harris: Never.

Mr. Pallett: As has already been so well said, you would not permit a penalty provision of this type in the Criminal Code which was reviewed in this house and by a committee of people who are handling the affairs of justice in this country. At the same time you say here is one small section of the community that you are going to discriminate against. You say you have already discriminated against another section, but that does not excuse this action. Are we not going to look to the people in whom we have placed confidence to carry out their duties?

I say seriously to the minister that you are allowing something to continue, as has already been said, that is strange and foreign to our method of administering the law. You are making retroactive legislation with a penalty provision. You are putting a provision in this act that you would not permit in the Criminal Code and you are not taking any concrete steps to say to the banks, "If you make bad loans we will not guarantee them; before we will guarantee your loans you have to certify that these loans are made on a proper basis". The applicant's responsibility is to the banks.

Mr. Harris: May I just clear the question of retroactivity. I think every hon. member who has read clause 6 will realize the purpose of the retroactive provision. The Farm Improvement Loans Act ran out on March 31. This bill was introduced before that date for the purpose of continuing the benefit of these loans to the farm community. I have no doubt there have been loans made since that date, and the purpose of the legislation is to validate the guarantees that would be made for those particular loans.

Mr. Charlton: Mr. Chairman, the minister now suggests it is because of the guarantee angle of this loan that he wants the penalty clause. I suggest to him that the fisherman's loan is a guaranteed loan but there is no penalty clause in that act at all. Although I realize the Canadian Farm Loan Act is not a guaranteed loan act there is no penalty clause in that act either. The minister is saying that this legislation is similar to the Unemployment Insurance Act. Is he suggesting that it is comparable with the Unemployment Insurance Act?

The minister appears to think he is giving the farmers something under this act. He is not giving them anything; he is only guaranteeing the loan at the bank. Out of loans amounting to $582 million the loss to date has been $285,000. Is the minister suggesting that all the farmers who take those loans are to be subjected to this clause just because $285,000 has been lost out of $582 million? Must all the farmers who take loans under this act have this on their shoulders for the rest of their lives? I ask that question advisedly, because it could be for the rest of their lives. They could have this hanging over their heads, with the fear that they could be brought into court.

As the hon. member for Oxford said, it might be purely a mistake, yet under this clause it could be proven that it was a false statement, and whether it was a mistake or intentional they could be subject to a fine of $500 or imprisonment if they could not pay. It is ridiculous. Not only is it ridiculous, it is the most terrible thing I have seen in this house for some time. Especially is that true when there is no penalty at all in the Canadian Fisherman's Loan Act or the Canadian Farm Loan Act.

The minister is suggesting that this is similar to the Unemployment Insurance Act, which I suggest is an insurance act and not a loan act. It is something given to people. They pay their premiums, naturally, but it

is something given to them in lieu of employment. It is not comparable at all.

Mr. Pickersgill: It is not a gift; it is insurance.

Mr. Charlton: The hon. member for Bonavista-Twillingate would do well to sit quietly in his seat for just a few moments.

Mr. Pickersgill: I take up less time in the house than the hon. gentleman does.

Mr. Charlton: Sitting in the house is not everything. Sometimes we like to see people sit quietly, too.

Mr. Pickersgill: So do we.

Mr. Charlton: I suggest this legislation is different from the Unemployment Insurance Act. It is something that is unknown in this house; it is foreign legislation to this house. I am not a lawyer but I have heard it discussed enough to know—and I think all members will agree with me—that it is a foreign type of legislation. The minister has not given us enough justification to allow it to go through.

Mr. Harris: May I just answer my hon. friend briefly. There is a penalty clause in the Canadian Fisherman's Loan Act, though it is not the same as this. My hon. friend should be aware of the fact that there are penalty clauses in all the borrowing and guaranteeing statutes that we have, so far as I know.

I do not think I agree with him that we are not giving the farmer anything. I think the farming community are appreciative of the benefits of the guarantee at the bank under these circumstances; at least a great many of them have used it. It is quite true that we have not had to pay very much in the way of losses; and that only establishes the fact that it is unlikely that the farming community have had too much trouble in making their payments, and they will go on using the advantages of borrowing under the Farm Improvement Loans Act. I certainly think this is of advantage to the farmer. We are increasing the amount of the loan he can have from the bank. I am a little surprised that the hon. member would say that we are not doing anything for the farmer.

Mr. Charlton: I did not say we are doing nothing for the farmer; I said you are not giving anything to the farmer, and you are not giving him a thing. He is borrowing money under a guaranteed loan. He has paid it all back with the exception of $285,000, and you suggest you are giving him something. You are giving him a service, that is all.

Mr. Nesbitt: I wish I could get some sort of answer out of the minister which would clear up some misunderstanding that seems to be in the minds of hon. members. Is it the intention of the minister under this section to punish applicants for an innocent mistake, or is it not?

Mr. Harris: Of course not.

Mr. Nesbitt: Why does it say so?

Mr. Harris: It does not say so.

The Chairman: Is the committee ready for the question?

Mr. Nesbitt: The minister has just told us that it is not the intention of the government to punish people for innocent misrepresentation. I am glad to hear that statement. The minister is a lawyer and well knows that the courts must take the specific wording of the act. The section says:

> Any person who makes a statement in an application for a guaranteed farm improvement loan that is false in any material respect . . .

And so on. It does not say "false statement of intent"; it says "is false in any material respect". It refers to something that is false regardless of the intent behind it. The remarks the minister has just made certainly have little relationship or little relevancy to what it says in the section. I am afraid I cannot understand it. The minister also said a few moments ago that the farmers would probably take advantage of the act. No doubt they will. If they were familiar with the language of this legislation I doubt whether they would be so anxious to take advantage of the provisions of this act, because some of these amendments put the guarantor of those loans in almost a worse position than the well-known character in "The Merchant of Venice".

Mr. Pallett: Will the minister indicate whether he would be willing to insert the words "with intent to defraud"? As you know, no court can go behind the act and read *Hansard* to find out what the members of the committee meant when the words were inserted in the legislation.

In reply to questions this afternoon the minister has said that it is not the intention, where there is innocent misrepresentation, to charge anybody under this section. I suggest that for clarification the words "with intent to defraud" should be inserted. Nothing would be lost by inserting those words. It is a very simple thing.

Mr. Harris: We have already disposed of that in the committee on a former occasion, Mr. Chairman. But, in any event, may I point out to my hon. friend that the wording is

pretty clear. It says, "false in any material respect". No magistrate nor any county court judge dealing with this section is going to fine a person who made an innocent mistake about a particular matter that is not material, guilty under the act.

Mr. Pallett: Mr. Chairman, the Minister of Finance by this very act takes the magistrate's discretion completely away from him.

Mr. Harris: No.

Mr. Pallett: Yes, he does. That is the effect of the wording of this legislation. The hon. member for York Centre has just inserted a comment. I am quite prepared to sit down and listen to what he has to say.

Mr. Hollingworth: As a matter of fact, any county court judge will determine what is material. Absolute authority is vested in him to say whether it is true or false. The county court judge may determine whether or not it is a material fact. Consequently I think the hon. member's argument is quite redundant.

Mr. Pallett: If the hon. member reads the legislation he will find that the case first comes before a magistrate, who is not a county court judge. I think it is generally accepted that the people who are appointed to these positions are not all legally trained. If you mean to say that the innocent misrepresentation is not to be charged it is of no consequence to add the four words, "with intent to defraud". It seems to me if that is what you mean but you are not prepared to put it in writing, it is not what you mean by the words you have just used.

Mr. Stanton: On more than one occasion I have heard magistrates say, "I have all sympathy but the act says so and so". They go entirely by the act. I do not see why the minister should be antagonistic and refuse to add these words, "with intent to defraud". They will take nothing from the bill; they will add to it. They will protect the individual. Some person may get a loan processed and, through no fault of his, make a mistake. The magistrate can say, "I must go by the act". I believe there is much merit in the amendment suggested by the hon. member for Kamloops, and its acceptance would go a long way toward alleviating the present difficulties.

The Chairman: Is the committee ready for the question on the amendment?

Mr. Pallett: No. I think we should deal with this at greater length. There have been charges that the opposition obstructs, and it is events like this which cause us to obstruct. It is our intention to do so in situations such as this. I for one intend to speak as many times as I possibly can until ten o'clock tonight in an effort to make this act one that will protect the people of this country and not oppress them. This is a clause that is oppressing a certain segment of the population of this country. The minister does not know what is in a magistrate's mind, nor does he know what is in the mind of the minister sitting next to him or of anyone working for him. As one hon. member suggests, perhaps the minister does not even know what is in his own mind; I do not know.

I think what we propose is a very simple matter. The bill certainly would pass this house very readily if it were inserted. I think the complete deletion of this part of the section would be preferable to anything that has been proposed, but failing that I would simply point out it seems to me the minister has established a little mental block over there. Perhaps he feels he is going to lose face or something. The government has lost a great deal of face in the past few weeks and a little more is not going to hurt it that much. Personally, however, I do not think it would lose face, in fact it would gain a bit, if it were to accede to a proper request.

Mr. Nesbitt: Mr. Chairman, I always try to be reasonable, and if I make a mistake or get the wrong interpretation I am always willing to change my mind. I have listened carefully to the minister this afternoon and the remarks he has made on the clause. He made a statement a few minutes ago which I believe was supported by the hon. member for York Centre, that it was up to the magistrate, the judge or the officer trying the matter, to determine whether or not a thing was material.

I have had a reasonable amount of experience in practising law before magistrates and in county courts, and I would like to point out to the minister there are two blades to the scissors, so to speak, which the magistrate would have to consider with respect to the statement made in the application. The first one is whether in fact the statement that was made was material. In other words, did it or did it not affect the granting of the loan in the first place; and second, was it false? The magistrate or the officer trying the case might very well decide it was material and the next question that would arise would be whether or not the statement was false. There is no information in this section, and the minister certainly offers us no explanation regarding that. There is no intimation that the falseness of the statement must contain an element of intent in order to be punishable. The way it is set out here the falseness of a statement, even if it is made in innocence, is subject to punishment.

As the minister well knows, this comes under the summary convictions act, and if the fine cannot be paid the person is sent to jail. As far as I can see the minister has certainly offered us no explanation.

Mr. Hamilton (York West): I do not think the minister need worry about losing face, because last night we had a shining example of what can be accomplished by an argument being put forth and received in a reasonable manner.

I have had a little argument on the side here with one hon. member who suggests this amendment is protecting the one dishonest man in a hundred, but there is nothing remarkable about that in connection with what is known as British justice. It has been said over and over again that it is better that a hundred guilty people should go free than to convict one innocent person.

It may seem a little remarkable that this large house is spending half an hour on this particular point, but this is certainly the place where we can get down to fundamentals so far as our laws are concerned. I do not think anyone is going to object to this type of legislation or to the fact that there may be 20 years in which to prosecute if the words "with intent to defraud" are included.

I hope the minister will seriously consider what is put forward here in the form of an amendment as an alternative to the present wording, along with the deletion of the words he has suggested further down in the section. Let us not worry about losing face. As a matter of fact, I think it will make the government look a great deal more substantial if it agrees to suggestions which are worth while.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Fulton) negatived: Yeas, 27; nays, 67.

The Chairman: I declare the amendment lost. Shall the clause carry?

Mr. Nowlan: Before the question is put I would like to place one point before the minister. We have disposed of the amendment striking out all of clause 2, which is an amendment I think the government should have accepted. I return again to the thesis I proposed a few moments ago, to the effect that it is absolutely wrong to have a criminal act with no limitation in it whatever. The committee has decided we cannot accept the striking out of clause 2. The minister has also pointed out, and I can follow this, that it may be some considerable time after the loan is made before it comes to the attention of the minister that there has been misrepresentation or fraud.

There is nothing in the section which says that. The section is an open end transaction in so far as prosecution is concerned. As I say again, I am not suggesting that this would be done but I do think it is so contrary to the principles of law that we should not permit something which may or may not be twisted by individuals.

The minister knows by looking at the clause that it would be possible for a prosecution to be started long after the maturity of the loan, long after the loan had been paid. There is nothing to tie it in with the loan. The minister said a moment ago that perhaps this would not come to his attention until the loan had been paid off. I cannot conceive that it would, because ordinarily these loans are payable by instalments.

I do not intend to move a formal amendment now because I realize that if it does not commend itself to the minister it will not be accepted by the committee, but we do feel strongly about this thing. I do not propose this simply for the purpose of delaying matters, but may I read the section:

> (3) Proceedings for an offence under this section may be commenced at any time within twelve months from the day on which evidence—

That again leaves it wide open as to what may or may not be evidence or what may or may not be information. They are two different things, as the minister well knows. When the minister has decided that he has evidence that might be, shall we say, six months, a year or two years from the time he first got a letter from the bank manager saying there was a little trouble over this thing. Let me read the clause again:

> Proceedings for an offence under this section may be commenced at any time within twelve months from the day on which evidence, sufficient in the opinion of the minister to justify prosecution for the offence, comes to his knowledge.

I suggest to the minister that at least we close that in, that we do not have it wide open. I would suggest that he put a proviso at the end providing that such prosecution shall be instituted within twelve months from the due date or maturity date of the said loan. In other words the prosecution would have to be commenced within a definite period.

I understand that there are two classes of loans. Where a loan is made for the purchase of land it might run for as long as 10 years. If you accept the principle of a limitation period, then I would agree that that would be an improvement and we would not be perpetuating a completely wrong principle.

In view of everything the minister has said, surely if there were a limitation period of twelve months from the maturity date of the loan or from when the loan was due, and if he had no evidence of wrongdoing before that time, then certainly he should not be able to prosecute afterwards because the evidence would be so flimsy that it would not warrant prosecution.

Mr. Harris: I think perhaps my hon. friend is labouring under a minor misapprehension. We never hear about these loans when they are paid. It is when they are not paid that we hear about them. We are not concerned with the farmer who pays off his loan, and I do not suppose the bank is either. At any rate they never come within our ken. It is only when we are called upon to pay the guarantee that we become interested.

Mr. Nowlan: Would not twelve months from the maturity date take care of that?

Mr. Harris: I have been waiting for a long time to move an amendment which fits in with the act here. This would add a further subclause 5 which would read:

(5) Proceedings in respect of an offence under this section may not be instituted later than three years from the time when the subject matter of the proceedings arose.

There would then be two limitations; there is the limitation in subclause 3 that proceedings must be taken within twelve months, and then in any event there would be a limitation of three years beyond which prosecution could not be taken.

Mr. Nowlan: If the minister had said that earlier instead of sitting on it like a hen on an egg it might have been better.

Mr. Harris: I am afraid that my obedience to the rules of the house make it impossible for me to move an amendment until we reach the point at which it can be moved.

Mr. Charlton: The minister has stated that the government knows nothing about these loans unless they are not paid. I do not think that is quite true. Surely the department would have some idea of the number of applications. Are not copies sent to the board?

Mr. Harris: Of course we get notice of the amount of money involved in our guarantees from month to month, but we have no knowledge of a particular loan.

Mr. Charlton: Have you not a copy of the application form that goes in?

Mr. Harris: They are kept in the bank, and we are only notified of the person who has the guaranteed loan.

Mr. Charlton: Just the name of the person?

[Mr. Nowlan.]

Mr. Harris: The name, the address and the amount.

Mr. Charlton: You do not have a copy of the application for loan?

Mr. Harris: The application is not made to the government, it is made to the bank. Apparently my hon. friend forgets the origin of the legislation.

Mr. Nesbitt: The minister is not sitting on another egg in connection with offences of fraud?

Mr. Hamilton (York West): Do I understand that the minister proposes to introduce an amendment deleting the words "or by any person purporting to be acting in his behalf"?

Mr. Harris: I said that I would do that.

The Chairman: Have I that amendment in writing?

Mr. Harris: I am sorry; I will write it out.

Mr. Hamilton (York West): In view of the two amendments that are to be made, any remarks that I made about the effect of clause 6, which is to follow, being retroactive and being detrimental could be withdrawn. There would be no necessity for dealing with it.

Mr. McCann: I move:

That clause 5 be amended by striking out of lines 19 and 20 the words "or by any person purporting to be acting on his behalf".

Mr. Hamilton (York West): I wonder if there would be any confusion in connection with line 24, which reads:

—without proof of the signature or of the official character of the person appearing to have signed the document—

Would that still be in order now that it deals only with the minister himself?

Mr. Harris: Yes.

Amendment agreed to.

Mr. McCann: I move:

That clause 5 be further amended by adding thereto the following subsection:

"(5) Proceedings in respect of an offence under this section may not be instituted later than three years from the time when the subject matter of the proceedings arose."

Mr. Knowles: I am certainly not going to quarrel over one year in view of the fact that the minister has agreed to a principle that has been argued from this side of the house. But I should like to point out that before he got to his feet with this amendment I was going to ask him to take a look at Bill No. 82, which we passed earlier this session, having to do with guaranteed bank loans to farmers with respect to grain stored on farms. The reason I was going to ask him to

look at that was to draw his attention to the section having to do with offences and penalties, which is section 9. If he is looking at the bill he will find that it had three subsections when it was presented, but he will recall that the Minister of Trade and Commerce had a colleague move the deletion of subsection 3. However, the relevant subsection, subsection 2, reads:

> A prosecution under subsection (1) may be instituted at any time within two years from the time when the subject matter of the complaint arose.

It was my purpose to suggest that that language was a little better than the language about information coming to the knowledge of the minister. The minister seems to have picked it up here, but why has he put in three years instead of two? If two years were sufficient in the case of the guaranteed bank loan on grain stored on farms, why would not two years be sufficient in this case?

Mr. Harris: Even my hon. friend can find the answer, if he just goes on for two more sentences in what he is reading, and that is that he is dealing with a nine months' loan in the one case and in the other with perhaps a ten-year loan.

Mr. Nowlan: Since the minister has been reasonable in dealing with this matter and has offered an amendment which at least recognizes the principle we were urging, I wonder whether he would not on his own accord consider the matter urged by the hon. member for Peel a few moments ago about the intent to defraud. I realize that technically it was voted on the other night and therefore the discussion of it might be out of order, but there is even more than the hon. member for Peel pointed out. If the person makes a statement that is false in any material respect, that is bad enough. It may or may not be a mistake. But it says:

> . . . or who uses the proceeds of such loan for a purpose other than that stated in his application . . .

It is all very well to say that a magistrate would use common sense; he probably would. But I can imagine a man getting a loan for a tractor, shall we say, coming into town, paying for the tractor, perhaps having $5.05 left over and making a purchase with that $5.05 to take home. I am sure he would not set that forth in his application. Of course if he were a prohibitionist he might use the $5.05 to buy his wife a birthday present that certainly would not be set forth in the application, yet he would be technically guilty of an offence.

The minister says there is no intention of prosecuting a man unless he has deliberately defrauded. We know very well that this minister would not authorize that, but why have it wide open that way if that is the intention? Why should we not insert "with intent to defraud"? Then we would have maintained a principle of law which, although it has been remedied to a substantial extent this afternoon, yet I think is wide open in that one particular sense. I should hope the minister would give consideration to inserting those words, and then I think the bill would be satisfactory in every respect.

Mr. Knowles: On the same point, may I again ask the minister to look at the wording of clause 9 of Bill No. 82, the very first part of which reads:

> Every person who, after the coming into force of this act, in respect of a guaranteed loan
> (a) knowingly makes any misrepresentation in any application . . .

It seems to me that if the government earlier this session brought in a bill having to do with guaranteed bank loans and put in the word "knowingly", it might consider putting the same word or words having the same meaning in this comparable piece of legislation.

Mr. Pallett: I wonder whether the minister really read this bill before it was put before us. I refer to a statement made on May 1, as recorded on page 3467 of *Hansard*, in which he said:

> I was not a member of the banking and commerce committee, as I believe my friend was, but my recollection is that there have been no convictions although I would not be sure as to that.

If the minister recalls, this bill did not go before the banking and commerce committee; it was referred to the committee on agriculture. The statement by the minister at that time perhaps indicated that he was not following the course of this bill or the preparation of it as closely as he might have been. With that in mind, giving him the benefit of the doubt that perhaps this particular aspect of this clause did not occur to him, there is nothing wrong with that, if that is the situation. We appreciate that with his vast duties he perhaps cannot examine every detail, and sometimes things might escape his attention; but, as the hon. member for Digby-Annapolis-Kings and the hon. member for Winnipeg North Centre have pointed out, other acts have "knowingly" in them, and it seems such a small point.

Mr. Harris: I thank my hon. friend for his generosity. All money bills that are referred to committees go to the banking and commerce committee. I said in the house that this would go to the banking and commerce

committee but, on the urging of hon. members opposite, I changed that to agriculture and forgot temporarily that I had done so.

Amendment agreed to.

The Chairman: Shall the clause as amended carry?

Mr. Pallett: I think we have to explore the other aspects of this a little further. Is there any particular reason the government advances at this time why one section of the community, the agricultural section, should be set apart and why we should say that we are applying the principles of the Criminal Code and various acts against all sections of the community but we are applying them differently against farmers, that we are required to prove certain things against other persons but a farmer is automatically guilty until he proves himself innocent?

Under this bill you say we are going to let the banks lend more money, that loans up to $5,000 will be guaranteed, but we shall be taking away a right from the farmers. It does not matter how much money is given them; rights are more important than money in the building of any society. You cannot buy a right. You have no proper authority to take a right away from them. This is a small but important group of the community, and it is entitled to the protection to which any other groups of the community are entitled.

It may be said that there are two other acts which contain the provision, and it is hoped to put it in a third one. That argument falls because you are repeating a wrong, which is never a correct thing to do. It seems that we would lose nothing and gain much by recognizing that here is a principle which should apply to the agricultural group in this country as well as to any other.

Mr. Nesbitt: There has been a good deal of discussion on this matter this afternoon. My hon. friend from Peel has just mentioned that in this case the burden of proof has been shifted. Actually there is no burden of proof here at all. It is a simple statement of fact. The burden of proof has been shifted to the accused. Even if a provision were put in that, if he could present evidence that he was not making the statement with any intent to defraud, he could be exonerated, that would be something; but it does not even go that far. It just says "if the statement is in fact false." It is like the provisions of some provincial statutes I can think of that give no discretion to the court.

There are only two things that have to be shown; that the statement is (a) material and (b) false. There is nothing about intent. If it is merely a false statement, regardless of intention, the person must be punished and can be sent to jail. The minister has already told us on several occasions that it is not the intention of the government to do that, but that is what the bill says.

I suppose there is no use labouring the point. The minister has evidently made up his mind that he is not going to do anything about the wording. I cannot understand why he would take that attitude.

The Chairman: Shall the clause carry?

Mr. Hamilton (York West): No, Mr. Chairman.

Mr. Harris: I wanted to say this. My friend the hon. member for Oxford seems to be under the impression, or at any rate his words so indicated, that we are amending the act by putting in these words. May I point out to my hon. friend that the words he has spoken about, "in any material respect", are in the act now. We are not putting them in now. We are not asking the farming community at this time to have another restriction put upon them. Those words have been in the law since the Farm Improvement Loans Act was passed.

Mr. Pallett: That is like saying, "I held up a bank once. Now I am holding it up a second time, so I am all right". Would the minister consider putting the word "knowingly" before the word "makes", as in the act already passed this year?

Mr. Harris: Mr. Chairman, if one had to do this originally I do not know what one would do. But this is the act and this has been the act, as I said, since it was passed in 1946 or 1947; I have forgotten the exact date. I doubt very much whether it would be desirable to change the basis of the penalty now with respect to those who borrow from now on from that applicable to those who borrowed in the past.

Mr. Hamilton (York West): It is much more severe in the subsequent sections you have put in. That is one reason for considering changing the old wording of the section.

The Chairman: Shall the clause carry?

Mr. Nesbitt: The minister pointed out—and I quite realize it to be the fact—that this wording has been in before. As the hon. member for Peel pointed out, to continue a wrong does not make it any better. To reply to the minister's remark, in view of the fact that this extension of time for prosecution has been made—though now there is to be a restriction, which is a very welcome change at this time—which is an amendment to this act, it might be appropriate at this

time to do as was suggested by the hon. member for Peel and insert the word "knowingly". I feel that the minister might give consideration to that suggestion.

The Chairman: Shall the clause carry?

Some hon. Members: Carried.

Clause as amended agreed to.

On clause 6—*Coming into force.*

Mr. Knowles: Mr. Chairman, this is just a suggestion as to form. Clause 6 reads as follows:

If this act is assented to after the 31st day of March, 1956, it shall be deemed to have come into force on the 1st day of April, 1956.

It seems to me that this wording of this clause would have been appropriate had the bill been passed before the 31st day of March and not received royal assent until after the 31st day of March. There is no "if" about it now. Would it not be better to change the wording of the clause and have it read simply:

This act shall be deemed to have come into force on the 1st day of April, 1956.

Mr. Harris: Yes, Mr. Chairman.

Mr. Knowles: Then I move that clause 6 be amended by deleting all the words thereof previous to the word "shall" and by substituting therefor the words "This act".

An hon. Member: A triumph.

Mr. Harris: Either way it does not make any difference at all.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: Shall this bill be read a third time now?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Harris moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

INDIAN ACT

AMENDMENTS TO PROVIDE FOR CHANGES IN ADMINISTRATION, AMOUNT OF LOANS, ETC.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Indian Act to provide for a number of changes in connection with the administration of the act; and to provide further that the Minister of Finance may from time to time advance to the Minister of Citizenship and Immigration out of the consolidated revenue fund such sums of money as the minister may require for the loans to Indians under section 69 of the act;

The total amount of outstanding advances under the said section not to exceed at any one time one million dollars in lieu of three hundred and fifty thousand dollars as at present.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Pickersgill: Mr. Chairman, it seems to me that for most of this afternoon there has been a vast expenditure of words to help out a few potential deadbeats and to save a few words in an act. I am going to try to stay strictly within the rules and deal only with the resolution that is now before the committee.

Mr. Knowles: The minister is out of order in talking about something that has already been disposed of.

Mr. Pickersgill: I am quite aware of that.

Mr. Knowles: And the minister broke the rules to do it.

Mr. Pickersgill: The hon. gentleman could not resist the temptation to point that out.

The purpose of this resolution is to authorize the introduction of a bill that has only one section which has any financial implications. In what I say today I am going to deal solely with the section that has financial implications because it seems to me it would be simply a waste of the time of the committee and of the house to deal with a hypothetical bill before anyone has the right to look at it.

The revolving fund that is referred to in this resolution is a fund which, under the act, amounted to $350,000. Last year, when the estimates of my department were before the committee of supply, I asked to have this amount increased to $650,000. I believe the hon. member for Winnipeg North Centre will remember this proceeding because he took some exception not to the substance but to the form of what was done at that time. I point that out because, from the resolution, it appears that the amount of the fund is being increased to $1 million from $350,000 whereas, in fact, it is being increased from $650,000 to $1 million. But the $650,000 is not in the Indian Act; it is in the appropriation act of last year.

These loans which are made out of this revolving fund are advanced to Indians to assist them in establishing themselves in agriculture, forestry, fishing, in setting up business in handicrafts, for getting equipment and facilities for guiding, trapping and a good many other miscellaneous pursuits. The purpose of the loans is to make it possible for Indians—who, because of the protection

they are given under the Indian Act, are also under a disability about borrowing in the ordinary way—to get money on reasonable terms in order to supplement their traditional mode of livelihood.

I would remind the committee that the Indian population of this country, without any addition by immigration and indeed with a steady diminution because of enfranchisement, is growing faster than the rest of the population, whereas their additional means of livelihood are actually being diminished as settlement moves farther north or because of defence installations in some cases or for other reasons. In view of this development, I think one of the most important internal problems we have in this country, and certainly morally there is no more important internal problem for the rest of us, is to do our utmost in every practical way we can to see that the Indians have every opportunity we can give them of developing new ways of supporting themselves and living in a self-respecting manner as ordinary members of the community.

I do think this revolving fund has done a great deal to make it possible for the more enterprising Indians, those with a bit more initiative, to do that. I have a great deal of material here about the number of loans, the record of repayment and other material of that sort. The record of repayment is remarkably good and the number of bad loans is very small. I do not really think it would serve any particularly useful purpose for me to attempt to put it all on the record, but I would be glad to answer any questions any member of the committee may wish to ask.

Mr. Harkness: So far as the latter part of the resolution is concerned, the only part with which the minister dealt, I think all of us are very pleased to see that there is to be an increase from the present statutory provision of $350,000 to $1 million for this revolving fund, out of which loans can be made to bands or to individual Indians. I fully agree with what the minister said, that much more needs to be done along this line than has been done in the past so far as enabling Indians to better themselves is concerned. The provisions of section 69, under which this money is lent, read as follows:

> (a) to make loans to bands, groups of Indians or individual Indians for the purchase of farm implements, machinery, livestock, motor vehicles, fishing equipment, seed grain, fencing materials, materials to be used in native handicrafts, any other equipment, and gasoline and other petroleum products, or for the making of repairs or the payment of wages, or
>
> (b) to expend or to lend money for the carrying out of co-operative projects on behalf of Indians.

The minister said he would be glad to answer questions, and I think it would be of some interest to the committee if, before we have finished with the resolution, he could let us know how many loans had been made under this act. How many are in effect at the present time or the latest period for which he has figures? In other words, to what extent has use been made of this fund of $350,000? I should also be very interested in knowing the maximum amounts which have been made available to any particular Indian. As a matter of fact, I think one of the weaknesses in this provision of the Indian Act is that the amount which any particular Indian and even band of Indians could get, particularly for the purchase of livestock or farm implements in the west was too small.

I do not know much about the situation so far as the east is concerned. I know that a considerable number of Indians on the reserves with which I am familiar have been definitely handicapped in making any economic or material progress as a result of the fact that they were unable to secure a sufficient number of farm implements or a sufficient amount of livestock to what I might call set up economic farming on the portion of the reserve which was allotted to them. In other words, I do not think there is any doubt that up to date not nearly enough has been done along the lines which this particular section of the act envisages.

The Indians have not been assisted nearly to the extent they might have been or, in many cases, to the extent they wanted to be. So far as my information goes, this probably has not been the result, at least up until recently, of the fact that there was not a sufficient amount of money in the revolving fund. The difficulty has been that the regulations under which these loans have been made were too stringent, or the total amount which could or would be given to a particular Indian was too small. I would hope that the regulations as well as the legislation itself would be changed and that an increase would be made in the amount of loan which would be available to an Indian.

I think that is particularly necessary in view of the fact we have had a constant process of inflation going on in this country. This has been recognized in the amendments to the farm loan act which we have had this session and in the amendments to the various other acts such as the Veterans' Land Act, which have been before the house recently. In all these cases the total amount of the loan has been increased in recognition of the fact that inflation has taken place. Whereas even seven or eight years ago a loan of $5,000 may have been sufficient for the

purpose of the legislation, at the present time it is not sufficient. I believe the same principle should be applied to the Indian Act and the regulations amended accordingly, so that a greater amount will be available.

In addition to that I would hope that the fact that the total amount available is being increased to $1 million means that the department itself has decided on a much more vigorous policy so far as making use of this provision is concerned, and will give perhaps a more vigorous leadership than has been the case in the past in encouraging Indians to make use of this provision and get into various activities in which they can make a living for themselves.

In so far as the first part of the resolution is concerned, it reads merely:

> That it is expedient to introduce a measure to amend the Indian Act to provide for a number of changes in connection with the administration of the act—

One would think from this wording that probably the changes are not of very much importance. In introducing this resolution the minister did not say anything about those changes. In fact I think he said they would not be of much interest to the house.

Mr. Pickersgill: I know the hon. gentleman would not want to misrepresent what I said. I said that I did not think there would be much advantage to the committee in my talking about a hypothetical bill, and I would prefer to speak about the rest of the bill when I would be in order in speaking about it, on second reading. Some of the clauses are quite important, but they have no financial implications and are therefore not part of the resolution.

Mr. Harkness: I was going to say that my understanding is those changes are quite substantial.

Mr. Pickersgill: But they have nothing to do with the resolution.

Mr. Harkness: The statement in the resolution concerning certain administrative changes is a very poor description of what is involved in these various changes. My information may not be correct, but I understand that copies of the proposed changes were shown to a meeting of Indians which was held in Ottawa last winter. I was very glad to hear that this meeting had been held, and that the proposed changes had been shown to the Indians. I think it is essential, in dealing with our Indians, that their co-operation be secured, and that when changes in the act are contemplated they should be consulted and their advice should be taken in regard to any changes which may be proposed.

However, what I understand or what I have heard as a result of these delegates coming back and circulating their experiences among their comrades and others, is that the general purpose of many of the changes proposed is to shift authority and power to make decisions from the governor in council, where it resides under the Indian Act as it is at the present time, to the minister himself. As far as I can gather, the Indians look on such a change with very considerable trepidation. They consider their interests would be much better protected if the power of decision in regard to these matters were to remain with the governor in council rather than be shifted into the hands of one man, the minister. These changes, if they are as I understand them, represent an increase in the arbitrary power of the minister and his agents—

Mr. Pickersgill: I wonder whether I might raise a point of order. The hon. gentleman is surely anticipating something that is not before the committee. If this resolution is adopted I understand it will give the minister authority to introduce a bill, and when that bill is introduced the hon. gentleman will know whether or not these things are being done and the minister will be in a position to state what is involved in these changes, and every hon. member will have an equal opportunity to debate it. It does seem to me, sir, it is quite out of order to be anticipating a future debate. No other change in the proposed bill has any financial implications except the one that I have spoken about. The whole bill could have been introduced, if there had been no amendment to section 69, without a resolution at all. I submit, sir, we should stick to what is before the committee at this time.

The Deputy Chairman: I am afraid the Minister of Citizenship and Immigration would have to go farther than he has gone to persuade me that his point of order has been well taken. I am not responsible for the drafting of the resolution the committee is considering, but it does start out in this way:

> That it is expedient to introduce a measure to amend the Indian Act to provide for a number of changes in connection with the administration of the act; . . .

And so forth. That is part of the resolution before this committee. I think in my not too long experience here that in resolutions of this kind it has been the regular practice for members of the house to indicate matters which they think should be included

in the bill which the minister is asking leave to introduce. It may be that the first sentences in this resolution are not essential to be submitted to the committee of the whole, but I find myself in the position that they have been submitted to the committee of the whole, and therefore I would hesitate to rule a discussion on them out of order.

Mr. Harkness: Thank you, Mr. Chairman. I did not think it was worth while bringing the matter up as a point of order, but actually I did consider asking the minister to outline in more detail what these changes are, other than the financial ones, which are included in the first part of the resolution. And I think properly he should have done that, and possibly he will do it before we have finished considering this measure at the resolution stage.

Now, to continue from where I was at the time the interruption took place; as I say, these proposed changes, if they are the ones which were submitted to the Indian delegates who came here, mean an increase in arbitrary power on the part of the minister and his agents, and in practice that means on the part of the agents or the superintendents on the reserves, and the other officials of the department. In other words, in most cases the arbitrary power which may be given is not exercised by the minister himself; it is exercised by his agents, and I think this is the sort of thing we should be attempting to get away from as far as the conduct of our Indian affairs is concerned.

One of the things in the minds of the committee on Indian affairs which met here for three years, I think in 1946, 1947 and 1948, was to try and, we will say, place more responsibility in the hands of the Indians themselves, to put the Indians in a position where there would be less and less arbitrary power exercised by the minister or his agents on the reserves. The aim was to put into the Indian's own hands the ability to carry on his own transactions instead of, as had been the case since the establishment of the reserves in western Canada, putting all transactions through the Indian agent. The Indian himself could not buy anything, sell anything or do anything else. To some extent that condition still prevails in western Canada.

It seems to me that these proposed amendments, if they are as they were represented to the Indians, are a backward step. They place more power, or are likely to put more arbitrary power, into the hands of the minister's agents. Therefore I would hope that a pretty close look will be taken at them and any tendency along that line will be curbed.

[The Deputy Chairman.]

We have heard here today and yesterday in connection with two other bills a large number of arguments concerning the undesirability of placing certain arbitrary powers in the hands of the minister rather than leaving them in the hands of the governor in council, where we at least have a number of ministers concerned and where we are therefore perhaps likely to have fewer arbitrary acts committed than would be the case when the power is in the hands of one minister. That argument was in connection with rather limited subjects and matters which really were economic matters. When we come to Indian affairs we are dealing with human beings, we are dealing with quite a considerable segment of our population and it is very much more undesirable, in my opinion, to have arbitrary power placed in the hands of a minister and his agents which can be exercised over other people, no matter what may be the colour of their skins, than it is to have arbitrary power in the hands of a minister to be exercised in economic matters.

The status of Indians is that of a group of inferior citizens under the law in Canada. They are a people without many of the rights of ordinary citizens in regard to recourse to the courts and naturally in regard to the right to vote and so forth. This inferior status of our Indians has been the cause of increasing disquiet and feelings of discomfort on the part of quite a large number of people in the white population. In other words, the consciousness has been steadily growing that we have a group of people in this country who have not been treated as the rest of the citizens of the country have been treated, who are inferior under the law, and that it is a situation in which we can take no pride and one which really should be corrected.

The Indian's lack of the right to appeal to the courts against decisions of the minister, particularly, has been the subject of many letters I have received during this session and previous to it. I would just like to read one of these letters to indicate the sort of representations I have been receiving, and I am sure other members have been receiving, and they represent the thinking of a large number of people. This particular letter is from the farmers' union of Alberta, which has many thousands of members. It is dated March 2, 1956, and reads:

> The farmers' union of Alberta board of directors at a recent meeting endorsed the following amendment to the Indian Act which is proposed by the Indian association of Alberta.
>
> Resolved that a new section be added to the Indian Act, Chapter 149, revised statutes of Canada, 1952:
>
> 1. In any case where the minister's discretion or that of the governor in council is exercised

in a manner which the band of Indians concerned feels is inequitable, there shall be an appeal to a supreme court judge of the province where the band is located.

2. That decision to appeal must be made by a recorded vote of the electors of the band at a meeting properly called for that purpose.

3. The cost of the court action must be paid by the band, and the decision of the court shall be binding on all parties concerned.

Yours very truly,

Farmers' Union of Alberta,
(Mrs.) Pansy Molen, Secretary.

I received letters like that from dozens of non-profit organizations including the Lions Club and the missionary societies of various churches and others, particularly organizations devoted to charitable works. As I say, there has been a considerable increase in interest not only in the general welfare of the Indians but in the idea that they must be given a better deal than they have been given before so they may be placed on a basis of complete equality with other citizens in this country and no longer kept in an inferior state. I think this is a matter that needs to be corrected. In many cases under the act the Indians have no appeal whatever from the decision of the minister which as I said previously, really means the decision of one of his agents frequently. In other words there is an arbitrary power which any other person who felt himself aggrieved in like circumstances could take to the courts but the Indians cannot do so. When the Indian Act is under revision I hope the minister will accept an amendment in terms such as those I have just read out. I would hope we could put it in the act at this time and to that extent we will have improved what I might call the general civic rights of Indians and placed them in a better position under the law than they occupy at the present time.

Another matter of grave concern, which has caused more uneasiness, trouble and disquiet among the Indians than anything else since the passage of the present act, is the provisions under that act by which Indians may be expelled from band membership and therefore deprived of the right to live on the reserve and to share in the ordinary care which Indians receive on reserves, including schools and medical facilities and so forth.

Mr. Pickersgill: I am sure the hon. gentleman is under a misapprehension. There is no provision in the act for expelling any Indian from band membership.

Mr. Harkness: Mr. Chairman, I am under no misapprehension whatever. There definitely is a provision of that sort and it has been acted on.

Mr. Pickersgill: What section of the act?

Mr. Harkness: As a matter of fact, a considerable number of Indians have been expelled from reserves and I believe a certain number of cases are pending at the present time. This business has lain like a heavy threat over quite a number of Indians for a number of years. As I say, it has caused more concern in the reserves in Alberta than any other single thing. More than any other matter it has caused what you might call a general suspicion of what the Department of Indian Affairs and the government might do.

I do not know why the minister rose and spoke the way he did because he knows quite well that in the Indian Act there are provisions affecting a person who does not meet the definition of the word "Indian" which was written into the act when it was last revised. Such a person may be expelled from the reserve. As I say, there are a number of cases pending and some people have been expelled. They are expelled for extremely flimsy reasons, particularly on the basis that their grandfathers took scrip back in the 1870's or 1880's. They are expelled because allegations are made by some other persons to the effect that their fathers or grandfathers were white men, and for reasons like that, which in most cases the person affected cannot disprove.

Of course there is a provision in the act that if any ten members of the particular reserve object to the membership of a particular Indian on the basis that his grandfather took scrip, or for some other reason, they may make a complaint and the case comes up and is presented to the department. The department may then order the Indian expelled from the reserve. The natural result of this of course has been to create a great deal of conflict. A few disgruntled people who dislike any member who lives on the reserve are encouraged by this provision to make a complaint against the individual. A great deal of ill will has developed and the reserves have split into factions, and things of that sort.

I think this is a bad provision and one which should be done away with. The position of these people on the reserves should be assured, as it were. It is unreasonable to allege that a man's grandfather took scrip. As a matter of fact, even if he did take it, in most cases he did not know what he was doing. He could not speak English nor could he read or write. Most of the scrip that was issued to Indians, as a matter of fact, was issued at the instigation of white men who promptly turned around and bought the scrip in order to purchase land. They probably paid the Indian $10 or $15 or gave him a bottle of whisky or something like that and

in most cases the Indian did not know what he had done. He received the $10 or the bottle of whisky, as the case may be, and went back to his reserve and forgot all about it. Those Indians were all accepted back on the reserves. As a matter of fact, there was never any question about it. It is only in recent years that the department has apparently launched a general policy of cutting down, if possible, the number of Indians living on the reserves and has been attempting to expel these people. I think it would greatly improve the feeling of mutual respect and confidence between the Indians, the department and this house if this provision were to be abolished.

Mr. Pickersgill: Would the hon. gentleman permit a question? I would like to know what section of the act he is referring to. I have gone through the act since he started to speak and I can find nothing anywhere that suggests any Indian may be expelled by anybody.

Mr. Harkness: Mr. Chairman, I cannot take time here to start looking up the section of the act. I would ask the minister if it is not a fact that proceedings have been taken against a considerable number of Indians at the instigation of ten members of the tribe in order to have an individual Indian expelled. Is that not a fact? Are there not cases now pending?

Mr. Pickersgill: Does the hon. gentleman wish me to answer his question now?

Mr. Harkness: Yes.

Mr. Pickersgill: There is a provision in the act—and I am sure everyone who has any familiarity with the act knows it; although it was changed when the last revision was made, in which I did not take part, as hon. members know—whereby, under a certain procedure, an Indian or a group of them on the reserve may protest that someone else living on that reserve is not an Indian. If it can be proven that person is not an Indian and has no right to be there he has, of course, no right to be there. There is provision also for recourse to the courts and for settlement by a judge in such cases. There is however, no provision in the act to the effect that anyone who is an Indian can be expelled from a reserve by anyone whatsoever.

Mr. Harkness: Mr. Chairman, what the minister is trying to do is to say these people who are expelled are not Indians.

Mr. Pickersgill: I am not trying to say that anybody is not Indian.

Mr. Harkness: In other words, the minister is trying to make a play on words which does not amount to anything. There is a considerable number of cases, as the minister well knows. As a matter of fact this was being carried on by the department before the new act came into effect. Quite a number of people at the Driftpile reserve, which I happen to know about particularly, were expelled by the officers of the department before the new act came into effect, before there was this provision concerning the ten people making a complaint. They were expelled on the instigation of the department itself. For the minister to say that there is no provision for the expelling of Indians and then to say that anybody who is expelled is not an Indian is I think just playing on words. There are all kinds of people living on these reserves, and some of these probably have a certain amount of white blood, but to say that they are not Indians because of that is the same as saying the minister is not a Canadian because he may have a little Irish blood in him or something else along that line.

This is a matter of great concern. The Indian association of Alberta, which I believe represents all the tribes in Alberta, have made this their chief complaint with the department for several years past. Therefore I do not think the minister can claim that this sort of thing does not go on. In addition to the representations which I received from the farmers' union I have had others in regard to this matter. Here is one from the Women's Missionary Society of the United Church of Canada, Alberta conference branch. It is dated April 18, 1956 and reads:

> At our recent annual meeting, the Alberta conference branch of the Women's Missionary Society of the United Church of Canada (representing 5,990 women throughout the province) passed the following resolutions concerning our Canadian Indians.

The first is the same as the one I received from the farmers' union, so I go on to the next:

> 2. That all Indians who at the time of coming into force of the last Indian Act were either treaty Indians or the descendants of treaty Indians, be henceforth regarded as treaty Indians (and no Indian who was signed in treaty previous to the act be forced or bribed or coerced by the government against his will off the reserve).

That is the very matter I am talking about.

> 3. That the federal government undertake a comprehensive plan of trades and professional training to equip young Indians for any type of employment within or outside of the reserve.
>
> We ask that you give the above your careful consideration, and bring the above to the attention of other members of parliament—

Instead of trying to do this sort of thing I think the minister would be much better advised to look into the matter and bring in an amendment to the act to ensure that

this will not take place in future. Such an amendment should translate into law the recommendation made by the Women's Missionary Society of the United Church of Canada, Alberta conference branch. They are just one among many organizations who have made this type of representation.

The Deputy Chairman: I am sorry to interrupt the hon. member but his time has expired and I have made allowance for the interruptions.

Mr. Simmons: Mr. Chairman, at the outset I should like to take advantage of this opportunity to congratulate the minister upon introducing this important resolution to amend the Indian Act to provide for a number of changes in connection with the administration thereof. I wish also to pay a special tribute to the efficient direction given at the executive level in recent years in the Indian affairs branch. I refer particularly to the late Major D. M. McKay and to Colonel H. M. Jones, his successor as branch director. Colonel Jones, like Major McKay, has established a fine reputation for leadership and has shown a rare understanding of the Indian problem. The unselfish service and willing co-operation of these two directors have helped greatly all those who have tried and are trying to make a constructive contribution to the solution of this present problem.

I think all hon. members must admit that it is not an easy problem to solve. Various steps have been taken and measures have been proposed by the federal government from time to time. We all know that, no matter how well intended they were, those measures have fallen substantially short of perfection. Somehow it seems difficult to rid official thinking and legislation of the wrong idea that we are dealing with an inferior and subordinate people. At any rate that is the impression left with the Indian himself. I am satisfied that the fault in this direction does not rest with officials of the Indian affairs branch in Ottawa, but rather that in the past many of our difficulties with the Indian population have stemmed from actions of local Indian agents. Indians in a sense have been wards of the federal government. There is a definite responsibility on the administration at Ottawa to make certain that Indians do not become destitute. More than that, the aim should be to see that our Indian population advances steadily from a state of wardship to a status of equal citizenship with non-Indian Canadians.

To this end they should receive adequate education and training if the conception of equality is to have any real meaning of significance. I have always been deeply interested in the Indian people of Canada and particularly those residing in my own constituency. They number about 1,700 in all. Ever since I entered parliament I have been urging the adoption of a new and better deal for the Canadian Indian. I intend to continue to press for those laws and services which I believe necessary to the improvement of their lot and to their value as people residing in this country.

I know that it is unrealistic to expect that legislation can be designed to cover fairly and within the strict letter of the law every possible individual case or set of circumstances. That is where sensible interpretation comes into play and where the Indian agent on the spot can exercise a most helpful discretion. But I have found in my many years' residence in the north that there is a need for Indian agents who are not tied to their desks, but who will get out and give personal instruction, guidance and supervision to the Indians in their charge. I wish to reiterate that in my view the agents should spend considerably more time in visiting the Indians in their camps and settlements to discuss their grievances and problems personally with them, rather than the Indians being obliged to travel many miles to bring their troubles and grievances to the agents at local headquarters.

In the selection of Indian agents by the civil service commission, I cannot say that good judgment has been used at all times, especially in the past. Academic qualifications are too often given too much weight, whereas those men who have a practical knowledge of Indians, their habits and way of life, and who know local conditions, are not given the consideration they deserve. Some of the best Indian agents I have known are men with practical experience among the Indians and who have not always had the benefits of higher education. These men were highly respected and liked by the Indians themselves. Just because a man with a higher education can sit down and write a good examination does not necessarily mean that he has sufficient practical experience and qualifications to fill such positions. In many instances they do not possess tact or good judgment in the sympathetic understanding of Indian problems.

Instead of this being so, we find too often a tendency toward evasiveness, indecision and buck-passing as between various departments of government, as well as an inclination on the part of local officials to hide behind a tangle of rules and regulations.

On the other hand, I realize that Indians are often not readily understandable or easy to work with. In some instances they fail to assume personal responsibility and accountability in the way that non-Indians more

naturally do. They frequently need careful and constant supervision to attain the best results.

I grant you that older Indians, accustomed to gaining a livelihood by hunting, fishing and trapping, cannot readily adapt themselves to the modern methods of earning a living. But it should be the responsibility of the Indian affairs branch to teach the young generations of Indians useful trades and occupations.

In this connection, I believe too much emphasis is being placed on purely academic schooling rather than on vocational training. I feel that departmental policy on this subject should have been changed years ago. Some Indians I have met are very good mechanics. Many Indians make useful, thrifty citizens and good Canadians in every sense.

Just last week we saw here in Ottawa a splendid example of Canadian citizenship in the person of Dr. Peter Kelly of Vancouver island. He is a full-blooded Haida Indian and a full-time church minister. Dr. Kelly has always been a great fighter for Indian rights and has a son in the welfare section of the Indian affairs branch.

There are some arable areas of land in the north which Indians could cultivate with good results if given the necessary instruction and supervision. They could, I believe, become self-supporting to a large extent, so far as food supplies are concerned, to supplement their meagre means of obtaining a livelihood.

In regard to the older Indians who have always relied upon hunting, fishing and trapping for their livelihood, I believe that the federal departments concerned should extend every possible effort to preserve and develop the forest and game reserves in the north. I was most alarmed to read an article entitled "A Problem in Conservation" by Dr. A. W. F. Banfield, chief mammalogist, Canadian Wildlife Service, reprinted in the *Indian School Bulletin*, education division of Indian affairs branch, of March 1956. This article states:

> Many writers have scored the wastage of caribou by Eskimos and Indians throughout the years. Instances of this have been observed during the recent investigations. Orgies of killing still take place at several crossing points where caribou are speared from canoes or kyaks as they cross lakes in crowded ranks. Each year thousands of caribou carcasses are abandoned—their bloated bodies crowding the shores of northern lakes whose waters flowed red a few days before. At other points men, women, and children pepper the passing columns with small-calibre rifle slugs. Little effort is made to salvage the carcasses of those that escape from the scene of shooting and die of their wounds. During the summer months, caribou meat is often abandoned after the hides have been stripped from the carcasses for clothing. During the autumn hunts, a few sods or stones tossed on the carcasses are often dignified by the term "cache". In some areas of Keewatin the head is merely twisted so the antlers will stick up through the snow. These caches are easily plundered by scavengers such as wolves, foxes and wolverines. Often they are not revisited when the trapper travels in a different direction.
>
> This is a practice which northern people must take the lead in curbing. Government legislation cannot effectively prevent wastage in the remote areas of northern Canada. Restoration of the caribou can only be accomplished through an enlightened and aggressive program of conservation education, which will bring home to each hunter his own responsibility to conserve the resources of the land. Such a program should emphasize long term conservation and it must reach not only the children but the present day hunters or we may have few caribou for the children to hunt.

This comment by an authority goes to prove that our conservation responsibilities will increase rather than diminish unless the Indians of the north are trained, along the lines suggested, and integrated into the new economic development. I have always thought that Indians are conservationists by nature; however, after reading the article by Dr. Banfield it rather dispels that theory to a certain extent. I believe, however, that the answer to this problem of adaptation to our ways and our standards of living lies in the patient and persistent education of the Indian.

In this regard I am not unmindful of the brave and devoted efforts of missionaries and public servants in the north. Much also has been done to improve the health of the northern Indians. The Charles Camsell hospital in Edmonton has established a wonderful reputation in fighting disease among Indians and Eskimos.

In addition, during the past ten years very real progress has been made in the education of Indian people. The number of Indians attending schools in Canada has reached a total in 1955 of over 32,000. Not only are more Indian children attending school than ever before, but Indians are taking advantage of opportunities to attend high schools and universities and to take special training in the trades and professions. In the Yukon the Indian school population has increased from about 181 to 471 during the ten-year period from 1945 to 1955. About one-quarter of last year's Indian students attended non-Indian schools in the Yukon, and in line with the policy of the department towards greater integration.

It is my view that Indian education, at least at this stage in his development, should mainly emphasize vocational training. The Indian boy should be given some trade which will fit him for the sort of employment he can hope to get in his area.

Mr. Chairman, may I call it five o'clock?

The Deputy Chairman: It being five o'clock, the house will proceed to the consideration of private and public bills.

Progress reported.

PRIVATE BILLS

JEAN BENOIT MAILLE

The house resumed, from Friday, June 15, consideration in committee of Bill No. 217, for the relief of Jean Benoit Maille—Mr. Henderson—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

Mr. Henderson: In consideration of clause 1, I should like to say a few words on the matter of the discussion of this bill before the committee of the whole when it came up on Friday last and an incident which was raised by the hon. member for Kootenay West and spoken to by the hon. member for Yukon and the hon. member for Medicine Hat.

The hon. member for Kootenay West raised the point that he had received some information of a proceeding of a very unusual nature and he spoke about a document being in the name of the chief clerk of committees of the House of Commons which had been filed as an exhibit before the committee. I might say that I regret that this matter came up in the house for discussion prior to the next meeting of the committee, which was this morning, to deal with this particular item. Last week, on June 12 and 13 there were two consecutive days of hearings, by this committee of which I have the honour to be chairman, of contested divorce actions, and the two contested divorce actions were disposed of. This morning the committee met on other business, namely 14 other divorce bills and an item of business which was raised by the hon. member for Kootenay West on Friday last. In order that hon. members may thoroughly understand the incident which was raised before the committee, I think I should give some of the background and detail, so that there will be no misunderstanding and in order that there will be no feeling that any irregular procedure has been followed by the committee on miscellaneous private bills in dealing with the matter.

The Deputy Chairman: Order. Just before the hon. member proceeds, I wonder whether I should not just point out to the committee of the whole that actually this committee has before it a bill, that it is at the present time considering clause 1 of that bill, and that the powers of the committee are entirely those of acceptance, rejection or possibly amendment of that clause. However, the committee as a whole recalls the trend that this debate took last Friday and the undertaking—if one might use the word—which the leader of the house gave that the incident brought up last Friday should be or could be discussed today. My purpose in rising and interrupting the hon. member for Kingston is just to point out to the committee that this is an unusual situation and should not be regarded as a precedent; in other words, in a discussion on a clause of one particular bill, extraneous matters dealing with a previous hearing of the bill and some action which may be taken outside this committee would not normally be a subject for debate. I am not interfering with the discussion this afternoon. I am just launching that caveat because I do not think it would be a good precedent to establish.

Mr. Henderson: Mr. Chairman, in dealing with the matter in committee this morning, may I say that it was recognized by all members of the committee that we were not dealing with the bill but that we were dealing with the incident about which I am now speaking, in order that no precedent would be created by dealing with the bill after it had left the committee and had been referred to the committee of this house as a whole.

On Tuesday last, June 12, there were on the orders of the day several others of the bills before this committee, and particularly this contested divorce bill being No. 217, Letter J-7 of the Senate, entitled an act for the relief of Jean Benoit Maille. There appeared as counsel on behalf of the petitioner Mr. Godbout, counsel from Montreal, and for the respondent, Mr. Penverne, counsel from Montreal. That was during the morning sitting. During the afternoon sitting and the review of the witnesses by the committee, a witness appeared on behalf of the respondent by the name of Mr. Ian Peacock. He was called and he was sworn, examined and cross-examined. During his cross-examination the counsel for the petitioner asked him if he were here pursuant to a subpoena or words to that effect. He produced a document which was alleged to be a subpoena. It had certain amendments typed on it. It had formerly been Form 15, a subpoena form of the Senate. As we well know, there can be no such document as far as this committee is concerned. It was issued over the typed name of R. Arsenault, presumably the clerk of the miscellaneous private bills committee. At that point, when this document which was produced—which for the purposes of the record was marked exhibit "P"—at 5.45 o'clock the division bells rang in the house here and the committee was adjourned until eight o'clock. For the benefit of those who were there and those who were not there I might say, with

regard to any reflection that has been made or might be inferred as to the conduct of this committee, that there were present in the afternoon sitting the following: Messrs. Anderson, Batten, Brown (Brantford), Cameron (High Park), Carter, Eyre, Fairey, Hansell, Henderson, Houck, Macnaughton, Matheson, Pommer, Regier, Simmons, Weaver, White (Waterloo South), and Wylie.

The committee resumed at eight o'clock. The first matter of business to be dealt with was this alleged subpoena. The witness, Mr. Peacock, was asked where he got this document. If my memory serves me correctly he said he got it from the respondent herself. Counsel for the respondent then stood up and stated that the document had originated from his office.

Another witness who was to give evidence on behalf of the respondent, a man by the name of Mr. David De Castro, produced a similar subpoena which was marked exhibit "Q" in the proceedings of the committee on that day. It was in the same form as exhibit "P", being the exhibit produced by Mr. Peacock. I might say that it is worth noting that when these witnesses were being examined, members of the committee appropriately asked each one of these witnesses who was there and had produced this form of subpoena if he would have come if he had not received the subpoena. The answer in every case was in the affirmative. Might I suggest at this point that we might come to the conclusion that these documents were merely superfluous and base our conclusion upon the evidence as given by the witnesses so sworn.

In dealing with these subpoenas, we discussed the matter in the committee. I might say that the members present at that time—this is the evening sitting—were as follows: Messrs. Anderson, Batten, Brown (Brantford), Cameron (High Park), Carter, Eyre, Fairey, Hansell, Henderson, Houck, Macnaughton, Matheson, McCubbin, Pommer, Simmons, Weaver and Wylie.

In discussing this matter of the subpoena I think some members were of the opinion that we should not in any way, because of a document of this nature being produced as an exhibit, allow it to interfere or prejudice in any way the case of either the petitioner or the respondent. However, it could not interfere with the case of the petitioner because these witnesses had clearly admitted under oath that they would have been present anyway whether or not they had ever received these subpoenas; and in dealing with the respondent, to be fair to her, if there had arisen any prejudice against her counsel for having produced these documents in a conclusion reached by members of the committee, she would have been prejudiced by something outside of her knowledge and control. Therefore it was decided to proceed with the evidence and to dispose of this incident of these irregular subpoenas on another occasion. The evidence was put in for the respondent's case. I might say that there was a recorded vote on the granting of this particular petition. The petition was granted by a vote of: Yeas, 12, and nays, 2. The yeas were: Messrs. Batten, Brown (Brantford), Cameron (High Park), Carter, Eyre, Fairey, Hansell, Macnaughton, Matheson, McCubbin, Pommer and Weaver. The nays were: Messrs. Simmons and Wylie.

This was ten minutes after ten on the evening of June 12 and the committee adjourned until three o'clock in the afternoon of Wednesday June 13 to deal with the next contested matter before the committee which was a petition already disposed of by a bill of this honourable house on Friday. I might say that there were witnesses and counsel waiting for the presentation of that petition over the two days. It was thought advisable to dispose of that.

This matter was dealt with this morning, as I say, as a separate incident and not in connection with the bill because the bill was not before the committee. We had the experts on law and procedure in this house before the committee, and it was decided unanimously that I be instructed to report the incident to Mr. Speaker. This decision was based upon standing orders 117 and 118. As we know, briefly, standing order 117 makes provision whereby a parliamentary agent, and the counsel in this matter was one, becomes a parliamentary agent with the sanction and authority of Mr. Speaker. He is therefore personally responsible to the house and to Mr. Speaker.

Standing order No. 118 is the one under which we have authority, and it reads as follows—I am reading it into the record for the purpose of clarifying this matter:

> Any parliamentary agent who wilfully acts in violation of the standing orders and practice of parliament, or of any rules to be prescribed by Mr. Speaker, or who wilfully misconducts himself in prosecuting any proceedings before parliament, shall be liable to an absolute or temporary prohibition to practice as a parliamentary agent, at the pleasure of Mr. Speaker; provided, that upon the application of such agent, Mr. Speaker shall state in writing the ground for such prohibition.

In consequence of that standing order, Mr. Chairman, and as I say again with the unanimous consent of the members of the committee, this morning I so reported the incident to Mr. Speaker. I would ask hon. members to consider this bill which is now before us separate and apart from this incident. I hope the explanation which I have

given clarifies the matter in the minds of the members of this committee.

Mr. Herridge: I listened with interest to the explanation of this unfortunate incident given by the chairman of the committee on private bills. I appreciate the trouble to which he went to explain the matter to the members of this committee. I raised this matter on Friday last and at that time I said, as reported at page 5102 of *Hansard* for that date:

> I have raised this question because, if that is correct, it is in my opinion a very serious matter indeed. I think this bill should be referred back to the committee for an explanation by the chairman of the committee as to what actually happened before the committee.

After that the Minister of Finance spoke briefly, and then noting the absence of the chairman of the committee from the house I was only too glad, in fairness to the chairman, to adjourn the debate. However, at that time the hon. member for Medicine Hat, who is a member of the committee, apparently did not agree with me or with the suggestion made by the Minister of Finance because, as reported at page 5102 and 5103 of *Hansard*, he said:

> Before the adjournment is considered, may I say that I happen to be a member of that committee, and the hon. member for Yukon is another member; the hon. member for Victoria (B.C.) was there and perhaps two or three others. This question was dealt with by our committee. Despite the fact that our chairman is not here today, I think what has been said throws rather a reflection on our committee. I think it should be dealt with today. I must admit that the name of Mr. Arsenault was not written, it was typed by this lawyer's secretary, and I think we should dispose of this now. It was given a good deal of consideration by the committee. As a matter of fact we had two sittings, and we sat until ten o'clock one evening. I feel it has been given all the consideration that should be given.

I am very glad, in view of the remarks made by the member of the committee, the hon. member for Medicine Hat, that the chairman has seen fit to give this explanation he has given this afternoon.

I want to explain that after I had been informed of the incident I raised the matter in the house entirely on my own initiative and without consulting any other person, as one on which I considered the house was entitled to be informed by the chairman of the committee. I want to emphasize that there was no political or party interest in this matter whatever. I raised it because I considered it my duty to raise it and because of my jealousy of the rights and privileges of this House of Commons. I want to say, Mr. Chairman, that in doing so I did not intend in any way whatever to cast any reflection on the committee or any member thereof.

Now, from the report just given to the house by the chairman of the committee, it is obvious that my action was fully justified. I am confident all members of this committee will appreciate the frank and full statement just made by the chairman of the committee on private bills, and particularly the committee's recommendation with respect to this lawyer's action. When speaking on Friday last I said I was informed that this lawyer admitted to members of the committee present to forging the signature of Mr. Rufin Arsenault, chief clerk of the committees of the House of Commons. From the report which has been given, apparently this lawyer is not guilty of forgery in the legal sense. The dictionary gives the meaning of forgery as to counterfeit, to falsify or to fake. In that sense, the lawyer in question certainly is guilty of forgery and a very serious breach of his privileges as a parliamentary agent.

However, according to the report made by the chairman to the house this afternoon I think it is quite safe to say he is guilty of uttering a false document, which is a very serious act indeed on the part of a parliamentary agent. I might say that I discussed this question with one or two members of the other place and I found that the same lawyer attempted a similar scheme on a committee of the other place some two or three years ago. I am very pleased that the action of the committee has brought this breach of his privileges to the attention of the Speaker.

Now, Mr. Chairman, in these difficult and lurid times, when standards that have stood for centuries are being threatened, I think it is the duty of every member in this house to protect the integrity of this house, its forms, procedures and practices. I am pleased to note the committee has recognized this in the report it has given by the hon. member who preceded me. The question of the rights, responsibilities and rules governing parliamentary agents was originally laid down by the Speaker by authority of the British House of Commons in Great Britain in 1837. So far as I can read, these rules have been revised a number of times since. In April, 1938 a new set of rules was approved and issued by the chairman of committees in the Lords and the Speaker in the Commons. I have done some reading on this subject since last Friday, but I must not aspire to be an expert on parliamentary procedure. I can only plead extenuating circumstances because possibly it is an infectious disease.

This question has been given considerable attention, and in May's fifteenth edition there are four pages dealing with the rules relating

to parliamentary agents. I wish to draw particular attention to rules 20 and 21 on page 878 of this edition. Altogether, there are 24 rules governing the rights, responsibilities and privileges of parliamentary agents, and some three pages of this book are taken up with these rules and regulations. I find that rule 20 reads as follows:

> Every parliamentary agent and solicitor conducting proceedings in parliament before the House of Commons shall be personally responsible to the house, and to the Speaker, for the observance of the rules, orders, and practice of parliament, as well as of any rules which may from time to time be prescribed by the Speaker, and also for the payment of the fees and charges due and payable under the standing orders.

Rule 21 reads:

> Any person registered as a parliamentary agent who shall act in violation of the orders and practice of the House of Commons or who shall be guilty of professional misconduct of any kind as a parliamentary agent shall be liable to an absolute or temporary prohibition to practice as a parliamentary agent at the discretion of the Speaker.

Now, Mr. Chairman, there is no question about it, this lawyer has committed a breach of his privileges. The matter has been brought to the attention of the Speaker. He has the right to deal with the matter according to our rules.

Apparently, we in this house in general have followed the British practice in the writing of rules 117 and 118 that deal with parliamentary agents and to which the hon. member for Kingston referred when he was making his report. It is fortunate in this, as in a good many other parliamentary matters, that members of this house in days past in their wisdom saw fit to be guided by the experience and traditions of the mother of parliaments. It is not very frequent that an incident of this kind happens in this House of Commons. We have based our practice on the established practice of the mother of parliaments in Great Britain, where I understand this matter has been given a great deal of consideration throughout the years since 1837, because over there the right to act as a parliamentary agent is guarded jealously and I presume by adopting similar language in rules 117 and 118 we have followed the British practice and we expect the same traditions to be maintained.

When we are dealing with questions like the one at present under discussion we must all realize, I am sure, it is fortunate there exists an inseparable umbilical cord of tradition, of procedure, of parliamentary practice and precedent with the mother of parliaments from which we can draw the procedural nourishment on occasions like these necessary to cure the parliamentary anemia that threatens our times.

In conclusion, again I wish to say, Mr. Chairman, I thank the chairman of the committee for his report. The committee has done its duty in reporting to this house and reporting the incident to the Speaker according to the traditions, procedures and practices recognized in this house and in the mother of parliaments upon which they are based.

The Chairman: Shall the clause carry?

Mr. Regier: Mr. Chairman, on Friday last the hon. member for Kootenay West raised the possibility of this case being referred back to the committee. I was very pleased to know that this house did not follow through with that suggestion and that the bill was not referred back to the committee because I feel that would have served no useful purpose.

It is now several years since I first raised the question of the contempt of parliament that I was noticing taking place in these divorce cases, and I think the hon. member for Kootenay West is to be congratulated on raising his voice in an effort to avoid further contempt of this institution and of its committees. I am not for one moment going to condone the actions of the attorney in question, the attorney for the respondent. I believe his actions show, although possibly in desperation, though they none the less show it, a clear contempt for the rules by which this parliament and its committees operate. This is possibly, if my information is correct, one of the last times, or the last time, that this subject will be brought up for discussion in this house at this current session. Therefore, I would like to express at this time my compliments to both the members of the committee this year and our very helpful and amiable chairman of the committee this year. When we sat through this Maille case—despite the fact that I was absent from the evening session, I was there for the whole hearing of the case and missed only the summary of the various attorneys at the end—I noticed on innumerable occasions the chairman lending a helping hand to the petitioner and his attorney and the respondent and her attorney. It is a bit of a different arrangement that we have there. We are a court and yet we are not a court, and nobody seems to know exactly what the line of procedure is or ought to be. The committee likes to consider itself as a court. Some like to consider themselves as a court of appeal from the similar committee that is in existence in the other place. On occasion, the Prime Minister has denied that assertion. His claim is that we are not acting as a court but that the petitioner is exercising only

his rights as a private citizen in petitioning at the foot of the throne, which is the parliament of Canada.

Members of the House of Commons are asked to sit in the capacity of judges. Some of us have the legal training for that; others of us have not. I do not apologize for one minute for missing out on the vote on this Maille case, because after a full morning and afternoon session I simply did not know who was the more or less honest, the petitioner or the respondent, and I felt myself wholly unable to cast an honest vote and to reach any conclusion. This was caused especially by the lack of established procedure before our committee. The committee of the other house has well-established and laid-down lines of procedure for calling witnesses, for hearing witnesses, for rights of petitioner and respondent, and for the whole procedure. I am sure the members of the committee will agree with me when I express the wish that something might possibly be done whereby we can arrive at a recognized established method of proceeding.

In this case the petitioner applied to the other place over a year ago for relief from his marriage vows and was denied the relief. This year he made another effort and succeeded before the committee of the other place, using a new incident by which he attempted to prove adultery and calling a completely new set of witnesses.

His argument had some weaknesses in it. A number of discussions took place concerning the reasons he should be seeking relief. He claimed he had no intention of remarrying. "Once was enough," were his words. We could therefore only come to the conclusion that his reasons for seeking relief chiefly concerned the fact that since his wife had a legal separation from him she was costing him a lot of money and was also causing him considerable embarrassment. He is admittedly a fairly well-to-do manufacturer. He has to pay his wife $30 a week and of course he has to maintain the three children involved. Whether that should be a cause for seeking relief, I do not know. He added further that his wife had quite frequently taken him into court and when such events took place he always had to pay both her expenses and his own.

I noted that he had severely injured his wife's hand just a few days before we heard the case and she had him before a court because of that assault. No doubt he had to pay the costs in this case, too.

His main contention was that his wife was costing him too much money and he thought we should relieve him of the responsibility. There was some doubt in some of our minds, despite his assertion to the contrary, whether he might wish to remarry within a short time if his case was successful. He had spent a fair amount of time in the company of another lady even in such far-away places as Europe. It was a vacation in her case and a business trip in his.

To my way of thinking the respondent's case calls for a good deal of sympathy. I do not wish to pass judgment at this time as to whether or not I thought she was guilty of adultery. However, where responsible members sit on a committee I think they must take many other factors into consideration. The woman was obviously in a poor state of health. The husband admitted that on one occasion at least he had her committed to a mental institution. The respondent claimed she was interested in protesting the divorce, because she did not want to lose the possibility of obtaining custody of her three children. I believe she also admitted, if my memory serves me correctly, her health did not permit her to work. That may have been before the committee of the other place. She also stated she did not want to lose the $30 a week separation allowance which she was receiving.

I did note both before the committee of the other place and before our committee the woman's severe handicap in that she was not able to defend herself. She did not have the means—and perhaps I should really say she did not have the tools—with which to defend herself as I thought she should. Several times when we asked whether or not she had certain witnesses with her, her attorney replied that he had asked some witnesses to appear and they had flatly refused to do so. This again brings out the handicap under which we operate because of a lack of established machinery to permit both the petitioner and the respondent to bring whatever witnesses are necessary to support their cases.

I feel this case has once again very forcibly called our attention to our handicap. We are ruling over the destiny of human lives. We are separating families. This is a very dangerous task and an extremely onerous responsibility. I sometimes doubt the wisdom of the state legislating in matters such as morals and marriage as they affect human beings. I believe that as the House of Commons we must either begin to assume our responsibility or we must establish some competent body which will relieve us of the responsibility that now rests with us. I hope before another session of this parliament meets the Prime Minister (Mr. St. Laurent) will have received enough advice from at least the Protestant members on his side of the house that will inform him in no uncertain

terms that they no longer want to be held responsible for the separation of Catholic married people in Canada.

Clause agreed to.

Clause 2 agreed to.

Bill reported.

Mr. Henderson moved that the bill be read a third time.

Mr. Regier: On division.

Motion agreed to on division and bill read the third time and passed.

The Chairman: The business under private and public bills having been exhausted, the house will resume consideration of the business which was interrupted at five o'clock.

INDIAN ACT

AMENDMENTS TO PROVIDE FOR CHANGES IN ADMINISTRATION, AMOUNT OF LOANS, ETC.

The house resumed consideration in committee of the following resolution—Mr. Pickersgill—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to amend the Indian Act to provide for a number of changes in connection with the administration of the act; and to provide further that the Minister of Finance may from time to time advance to the Minister of Citizenship and Immigration out of the consolidated revenue fund such sums of money as the minister may require for loans to Indians under section 69 of the act;

The total amount of outstanding advances under the said section not to exceed at any one time one million dollars in lieu of three hundred and fifty thousand dollars as at present.

Mr. Simmons: Mr. Chairman, I am thinking of such lines as carpentry, diesel and motor mechanics, welding, logging, lumbering, sawmill operation, prospecting etc. For Indian girls a course could be given in elementary household science, nursing, teacher training and other useful occupations. Employment conditions in recent years have been changing in the north. Construction companies are offering opportunities for those who are able and willing to work. This new development is critically important because the traditional livelihood of Indians by hunting and trapping has drastically declined in some areas. A new era is dawning in the north. Large areas are being opened up to development and existing industrial and economic activity is being speeded up. Let us see that the Indians, native to the north, also benefit from all this progress.

The time has come, and rightly so, when racial discrimination should be set aside and all our citizens who obey the laws and who help to build up a better country may be treated with equality. I was glad to hear the Minister of Mines and Technical Surveys state in the house the other day that in his recent visit to mining districts of northern Ontario he found numbers of Indians employed in the mines and doing a good job. There are other projects as well that could be carried out in the north to give useful constructive employment to Indians. Many of these settlements could be improved by the provision of graded roads, ditches, sidewalks, better water supplies and sanitary arrangements: in other words, a general and complete overhauling. This would be an opportune time to supply this employment and these facilities so that the natives could improve their communities. At the same time they would be working for wages to supplement their other income.

I wish particularly in this connection to congratulate the Department of National Health and Welfare on the establishment of two rehabilitation homes in Edmonton for Indians discharged from the Charles Camsell hospital. I understand that in these rehabilitation homes Indians who have recovered their health are given an opportunity to fit themselves for useful employment when they return to their own homes. They are given vocational instruction or on the job training. This project is of special interest to me because the Indian hospital at Edmonton accommodates patients from the Yukon Territory, as well as from the north country generally.

Of course it is true that no matter how rapidly new avenues of employment are found for Indians many of them will continue to depend upon trapping for all or most of their cash income, as well as on game and fish for most of their food supplies. Here again federal, provincial and territorial governments can do much to protect and conserve game and fur bearing animals in our northern areas.

The problem of the application of liquor laws to the Indian population is a persistent and vexatious one. Opinions over what policy is best to follow continue to differ widely among non-Indians who have given this problem much study and anxious thought. On the basis of many years' experience in the north, and as a result of close association with Indians and their problems, I am convinced that Indians should not be dealt with differently from non-Indian citizens of Canada so far as liquor laws are concerned. I pressed this point of view strongly on the special committee on the Indian Act during its sittings in 1951. As I pointed out at that time, the existing system affords the widest opportunity to the bootlegger to ply his trade. I feel that it is far better to appeal to the pride of Indians in this matter. Let us deal with them as adults, not as children.

In January of this year a brief submitted to the Gordon royal commission by the Yellowknife District Miners' Union touched on this matter of the Indian and the liquor problem. Although no definite recommendation was made in this connection, it is interesting to note that this portion of their brief draws attention to the significant profits made by bootleggers under the present system. Last year the International Catholic League against Alcoholism distributed a questionnaire among Roman Catholic and Protestant missionaries in northern Canada. The questionnaire asked for views and suggestions on laws governing the sale of alcoholic beverages to Indians. Answers were received from at least ten points in the Yukon, and it is interesting to note that the majority of those replying felt that Indians should have the same rights as non-Indians in this regard. Taking the survey as a whole, however, the majority opinion was adverse to any change in this connection.

I feel that Indians, in principle, should not be restricted in this matter but that in practice the problem should be handled by means of the local option privilege. It is felt by many that the approach toward any solution should be a cautious one, and conducted on an experimental basis.

If the Indians of Canada are to take their proper place in the Canadian community, and to play their rightful part in the upbuilding of this nation, they should be encouraged to accept as much responsibility as they are able to carry. The closer we and they can come to realizing this ideal, the happier they will be, and the stronger Canada will become.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Cameron (Nanaimo): I should like to say a few words on this resolution we now have before us on Indian affairs. I have always had a great interest in the Indians in my own province of British Columbia, particularly on the coast, and I have had some fairly intimate friendships with many of them.

The hon. member for Yukon this afternoon mentioned one of my most distinguished constituents, who was here a few days ago, the Reverend Dr. Peter Kelly. I think that the existence of a person like Dr. Kelly illustrates the complexity of this problem of the Indian population of Canada. Dr. Kelly is, of course, a doctor of divinity and a very eminent minister in the United Church ministry, and he is also a member of a chief's family of the Haida Indians. I have a peculiar interest in him because his son at one time taught my children in the public schools on Vancouver island, and I realize that in Dr. Kelly, and in his whole family for that matter, we have not only outstanding representatives of the Indian population but outstanding citizens of Canada. It is not easy perhaps to devise a formula that will apply equally to such people as Dr. Kelly and his family and the less advanced members of the native population of Canada.

Every year before I come to Ottawa I always have great satisfaction in being summoned to attend a meeting of the council of the Indians in part of my constituency who call me down to tell me their troubles and what they want me to try to do for them. I think that perhaps is a demonstration that they have come of age in their own minds, even if we do not admit it here in this House of Commons, and that they consider a member of this house as their representative as well as the representative of those who have the privilege of voting for him. I sometimes think that we should have one or two members of that Indian tribe attend here in this chamber and then perhaps we would hear oratory that has not been heard here for a generation, because these people on the coast of British Columbia are for some reason or another natural born orators. What many of the Indians in my constituency can do with the English language should be the envy of some of us to whom it is the native tongue.

We have an enormous responsibility with regard to the Indians because, owing principally, I think, to ignorance, and partly also to greed and selfishness, we completely shattered their very complex social structure when the white people came to this country. I know this is particularly true among the bands and nations of the coast Indians. The regulations that were put into effect in the early days prohibiting many of their traditional customs simply shattered the fabric of their whole society. When I hear people speaking in a contemptuous manner of the behaviour of Indians, I often wonder how we would behave if some conquering race came in and forbade us to carry on with the traditional social institutions to which we had been accustomed for generations, as these people had been.

In recent years on the coast of British Columbia the Indians have been beginning to assume their rightful place in our society and, with the aid of better economic conditions and better educational opportunities, are now beginning to match the white man

on his own ground. In the constituency of my friend from Comox-Alberni there is a very remarkable old gentleman whom I should hope some day the Minister of Citizenship and Immigration might have a chance to meet. He is a chief of a tribe of one of the islands off Vancouver island, and now very nearly 90 years of age. He became chief of that tribe at the age of 18 and decided that the condition of his people in the face of new invasion of white people, with their new culture, was such that he had to take very drastic steps to preserve any sort of life for his people and he proceeded almost to force them to adapt themselves to the white man's way of life. He made them tear down their long communal houses and build individual dwellings. He encouraged and aided them and got provincial government help for them to start in the logging business and the fishing business in a commercial way. At the present time the village in which this old chief lives with his people is one of the best kept settlements on the coast of British Columbia, with its own electric light plant and water system and with its own well kept, well painted and well furnished houses. I mention this because this is a sample of what the native people of the coast of British Columbia are capable of doing when given the right encouragement and the right help.

Among Indians now in my part of the country there is a growing demand for decent educational opportunities. They feel—and, I think, quite rightly—that former governments in Canada rather sold them down the river in the easy way in which they allotted the various Indian tribes to the various religious denominations and told these churches to go ahead and educate them in their own way and the best way they could—and it was a very bad way in which they did it. The Indians now are beginning to revolt against that idea. I was particularly pleased two years ago when I heard the Minister of Citizenship and Immigration announce the policy of his department to encourage native Indian children to go to existing public schools wherever possible and, where not possible, to build for them secular schools under the Indian affairs branch.

I take a certain pride in the fact that for a number of years I was a member of the school board on Vancouver island which was one of the first school boards, if not the first, in British Columbia to admit Indian children to the schools without any question whatever. The results of that policy were completely evident in a few years because from that school have gone several young Indians, not only through high school but on to the University of British Columbia. So that is one of our first matters, to ensure that they have proper educational facilities.

I am always very impatient when I hear people say, "You cannot educate Indians" or "You can educate them to about the age of ten, and that's all." Such people reveal complete and total ignorance of the capacity of these people. I believe that we should regard this problem of assimilating the Indian population into our own society, not only from their point of view but from our own point of view too, because I am convinced that these people have a great deal to contribute to the culture of Canada. Anyone who has seen the paintings of George Klutesi and Judith Phyllis Morgan, both of them native coast Indians, will realize that these people have a tremendous talent and gift for the visual arts.

Recently, of course, they also won considerable fame on Vancouver island by the production of an Indian opera which was based on their old folklore and on their old dances. I have often regretted that they were not able to raise the funds that they had hoped to raise to send that company on tour throughout Canada. I think it would have been very helpful to other Indians in other parts of Canada to have seen what it is possible for the native population to accomplish.

This afternoon the hon. member for Yukon spoke of the liquor question in connection with the Indian population. I want to endorse what he said in that regard. We have a great many strange myths and folklores that hang over our minds. One of these myths is that Indians, as soon as they have a drink of beer, become wild, unmanageable savages who will slit every white person's throat. Admittedly there are many Indians who become quite unruly when they are drinking,—and I have seen them—just as unruly as Scotsmen, Irishmen, Swedes, French-Canadians or any other ethnic group you like to mention, and no more so. On the other hand, there are plenty of Indians who take it in moderation. There are even some of them who are not particularly interested in it at all. But certainly, if we are going to hope to have these people assume their rightful position in our society, they must be allowed to run the risks of modern civilization as well as to have the privileges and the advantages. One of the risks of modern civilization is the problem of learning how to handle alocholic beverages. I therefore hope that, among other things, the government will take steps towards changing the status of Indians in that regard.

A few days ago when I was speaking to my constituent of whom mention has been made several times here today—I refer to Dr. Kelly

—he remarked to me that in his opinion the single, most important thing that requires to be done for his people is to enfranchise them and to do so without depriving them of those, shall we say, relics of privileges to which they are surely entitled as the rightful owners of this land. As Dr. Kelly pointed out, we cannot expect people really to assume the responsibilities of citizenship unless we are going to give them the voice of citizens. To me he expressed the hope that, before many years had gone by, the fears and doubts that exist among some Indians that if they are enfranchised they will lose their rights will have been dissipated by government action and government statements, and that we then may hope to call on these people to assume their proper place in our communities.

The hon. member for Calgary North this afternoon was speaking about the expulsion of Indians from reservations. I think the minister may have been technically correct when he answered the hon. member; but, as a matter of fact, while there may not be actual expulsions, there are cases which have come to my knowledge—and which I have brought to the attention of the department—of Indians whose claims to be members of a certain band and therefore part owners of the reservation property have not been allowed by the department. In one case that I recall, this is because the man's right of inheritance came through his mother which is the traditional Indian way of tracing inheritance. Unfortunately the lady did not go through the formal motions of getting married to which we are accustomed but she was considered to be married in the eyes of her Indian relations. This young man—he is not young now; he is a man well on in the forties—has been denied his position as a member of that band. The department takes the view that he should be considered as a member of his father's band of Indians which is away up the coast on a small island. The Indians feel that this is an interference with their traditional methods of calculating inheritance. Hence while he is not expelled from this reservation, he is not permitted to get control of a piece of property in order to build a house for himself. He is obliged to live with other relatives there rather as a sort of hanger-on.

This whole question of band membership is at present acute among some of the Indians. I hope it is not going to be acute for very long because I hope that their insistence on their rights within reservations will tend to diminish in importance in their own eyes as their liberties expand. However, I think the department might well institute some investigations into the disputes, to which the hon. member for Calgary North referred today, which occur between Indians of certain bands on the reservations as to who has the right to own some of the reservation and who has not. They finally come down on the department to decide the matter because, as I said earlier, we have destroyed completely their old, traditional social structure which settled these questions under their own terms at that time.

I hope that some of these matters that I have mentioned will be given attention in the legislation that we are going to see. I also hope that legislation has been drafted in consultation with responsible members of the Indian peoples themselves. There is not merely Dr. Peter Kelly but among the Indians there are many competent, well-educated, upright men with good judgment who could give valuable advice to the minister as to how to solve some of the problems of their people. I hope this legislation has been the result of such consultation and that, in consequence, it will meet with the approval of the Indian people.

Mr. Hardie: Mr. Chairman, I rise at this time to bring to the attention of the committee some of the problems facing the Indians who do not live on reservations, particularly those in the Northwest Territories in my constituency. At the outset I should like to concur in the remarks made by the hon. member for Yukon concerning the co-operation and services given by the late Major D. M. McKay and also the present director of Indian affairs, Colonel Jones. Also, when speaking of Indians, I think a tribute should be paid to the missions—both the Anglican and Roman Catholic missions—for the great job they did in the early years in educating and looking after the native Indians. For instance, in my own constituency the first school was built in Fort Providence by the Roman Catholic mission in 1867. Other schools were built by the Anglican and Roman Catholic missions after that time. But from 1867 to 1902 the government paid no attention, and did not put up one nickel for education or health of the native Indians. In 1902 they gave a big grant to these missions, namely 3 cents per day to educate, clothe and feed Indian children. In 1912 they raised that grant to 12 cents; and in 1921, I think it was, they raised it to 50 cents and they have come along with large grants since then. But now in the Northwest Territories the Department of Northern Affairs and National Resources have taken over the education of native Indians. A great deal of money has been spent on schools, both vocational and academic. As I have said, a great deal of time is being spent particularly on vocational training, and I agree with this. But, Mr. Chairman, when we speak of vocational training—

training these native Indians to become welders, diesel mechanics, carpenters and all the rest of it—there is something we must remember and it is this. We are educating these people in the Northwest Territories to follow professions of this sort. I want to suggest to the minister now that it is all right to educate these people along these lines, but he should remember one thing. Once they become diesel mechanics, they have to be supplied with work. Once they become welders, they have to be supplied with work or an opportunity to do something along that line. Development in the Northwest Territories is slow. I am afraid that we are going to have students coming out of these schools and work is not going to be available in the Northwest Territories. Then, what do we do?

As a matter of fact, a few years ago an Indian from Fort Simpson was sent to the technical school in Calgary to take a course in welding. What happened to him? He is back in Fort Simpson. They sent him back to Fort Simpson to weld. There is not enough welding in Fort Simpson to keep this fellow in tea. He does not have to be a welder to go out and trap beaver or muskrat. I just want to impress upon the minister the fact that it is all right to educate these people along vocational lines but there has to be a long-term viewpoint to ensure these people of work once they are educated.

I was rather amused when I looked through three of the reports of the Department of Citizenship and Immigration for the years 1953, 1954, and 1955. Generalizing on conditions in the Northwest Territories, this report had this to say:

> Fur catches were poor and prices very low. As a result, in some localities where caribou and other game was plentiful the Indians did not attempt to catch their fur quotas.

Then the report says how many schools there are in the area and that Indian health was better than average. No serious epidemic occurred during the year and tuberculosis was well under control in the far north and all known cases were hospitalized. They do not say what the department was doing to help the Indians. They do not say what the department was doing to help the Indian make a living.

Then, the 1954 report says:

> The economic condition of the Indians in this area continued to decline owing to the scarcity and low prices of furs. The relief problem was greatly eased, however, by the fact that caribou were available at nearly all points with the exception of Providence, Hay river and Fort Liard. The installation of freezer storage plants at various points in this area contributed in large measure to the reduction of relief costs.
>
> The fishing activities of the Indians increased over most of the territories and helped considerably to supplement the available food supply. Several attempts were made to interest Indians in commercial fishing, with varying degrees of success.

I will come back to that in a minute. That is about all they said. The general health of the Indian was good, and no serious epidemic occurred in the year. Then, they set out how many schools there were. That is all for 1954.

Then, the report for 1955 had this to say:

> A moderate increase in the price of fur brought some improvement in the economic position of the Indians in the Northwest Territories and many of the Indians took advantage of opportunities to improve their diet through domestic fishing in the numerous lakes in the Mackenzie area.

Mr. Chairman, they have been doing that since the beginning of time, fishing the lakes. Is this new? Is it new to the department of Indian affairs, that they were fishing the lakes.

> A supervised caribou hunt was conducted for the first time in the Yellowknife and Rae areas, in an effort to encourage the Indians to provide food for the summer months and, at the same time, conserve big game by storing in cold storage lockers provided by the branch. The experiment was moderately successful.
>
> No serious epidemics occurred during the year and thorough chest X-ray coverage was conducted in conjunction with the paying of annuities during the summer months.
>
> An increasing number of Indians turned from hunting and trapping to other industries, taking seasonal employment in commercial fishing and lumbering industries and in the transportation service.

Commercial fishing, lumbering and transportation service, that is all summer employment. Hunting is for the winter time, but they do that anyhow.

These reports tell what had been going on up there for three years, and except for the fact that the department built freezer or storage plants in various points, that is all that is said about what the department is doing for the native in the Northwest Territories. The department is telling the rest of the country what the native is doing. Everybody knows he is fishing. Everybody knows he is trapping. But they do not know how much money he is getting out of fishing and trapping. I find from the files of the department of northern affairs that the average Indian trapper in the Northwest Territories earns $450 per year. The cost of sugar, for instance in Aklavik or Tuktoyaktuk or any place along the Arctic coast, is $25 per hundred. Flour costs $20 per hundred and tea $1.85 per pound. How far would $450 go? Do not ever get it into your head that these people want relief. I have heard people say oh, when the native gets relief he is not going to work as long as he can get relief. I am telling you that the relief he gets from the department of Indian affairs is not worth

the powder to blow it to Hades. I am telling you that if these people thought for one minute they could live on the relief that is handed out to them or if the people down here think that is what they think, then they have another thought coming. These people are interested in working and making a living if they are provided with the work. There is no work in that part of the country.

I hear the people in this part of the country talking about the Indian on the reservation. Those people are living in seventh heaven compared with the Indians in the Northwest Territories and the Yukon. The people here talk about the poor Indian on the reserve. The poor Indian on the reserve is what Rockefeller is compared to me in so far as the Indians in the Northwest Territory are concerned. The Indians on the reserves get equipment from the government for agriculture. They get trucks and all sorts of things. In the Northwest Territories, what do they get? There is no provision for work there. If you are destitute or starving we will hand you out 10 pounds of navy beans and a few other little things. Of course, there is no salt to put in the navy beans, and nothing else to put in them, but the department expects the Indian to eat these beans.

It is the responsibility of this government to provide work for the Indians in the Northwest Territories, something like what is being done on the Indian reservations in this country. A few minutes ago I read something about commercial fishing:

> Several attempts were made to interest Indians in commercial fishing with varying degrees of success.

Do you know what the facts are? They take a native out and say, "Now, you are going to go fishing out on the lake through the ice." They move out a little two by four cabin, give him a few nets, and he starts fishing. Then, they leave him there. Mr. Chairman, the Indian has to have leadership. He has to have guidance. They leave him out on the lake to fish, and what happens? After the fellow has perhaps 300 or perhaps 400 pounds of fish out on the ice, a fish buyer comes along with a bottle of rye and $5 and says, "Here is the bottle and I will take the fish." After a couple of days of this the Indian finds there is nothing to eat, so he says, to heck with this, I am going home. He takes off and goes home. What can you expect? What these people need is some guidance, some leadership. If the Indian affairs department is going to help these Indians to set up commercial fishing what it has to do is to hire a man in the country, or from the country, who knows something about Indians, and send him out with them and see that they get a square deal from the fish buyer and that they fish their nets. These people need leadership. Naturally, they need leadership. They are uneducated, Mr. Chairman.

I agree with the hon. member for Yukon who has talked about Indian agents. Instead of the department hiring Indian agents with Ph.D.'s or something else, who would not know a rabbit track from a snowshoe track, let us hire Indian agents who know something about the native Indian, who know something about the bush and who know something about the conditions under which the Indian is living, and let them give those people some leadership. All the trouble cannot be borne by the Indian agent because the department has so many statistics for these fellows to fill in that if they did know the difference between a rabbit track and a snowshoe track they could not get out into the bush to see it. All their time is taken up filling out statistics on births, deaths, family allowances and all the rest of it.

In the Northwest Territories there are two Indian agencies, one at Yellowknife and the other at Fort Norman. These two Indian agencies look after 4,500 Indians. It takes an Indian agent at least six weeks in the summertime just to cover these places, one day at each, to pay treaty money. The agent has not a chance to get out and see the people. But in the same area the Department of Northern Affairs and National Resources has game wardens, chief game wardens, mammologists and all the rest of it, looking after game. There is something wrong with the salesmanship in the department of Indian affairs when northern affairs can sell treasury board on a staff of 23 to look after game in the same area in which the department of Indian affairs can sell treasury board on a staff of four to look after human beings, the natives. I am going to make a suggestion to the minister. I suggest to the minister that he go to the Department of Northern Affairs and National Resources and have every game warden in the Northern Territories act as Indian agent in the communities they are stationed. These people are living with the Indians. As a matter of fact, some of the game wardens have told me that during the winter time there is not too much for them to do, anyway, and they would gladly go out to Slave Lake to organize the Indians and help them in commercial fishing. They would stay with them; they would gladly do it. I sincerely suggest to the minister that something be done. I do not say that they should build up an empire and have Indian agents all over the place. Why can they not use game wardens who are doing nothing for half the time in the winter. If they did

something for the department of Indian affairs it would be a great help.

Of course, I realize that here in Ottawa some of the department heads may not agree with their personnel doing Indian affairs work, but I think they could stand it. I do not think there is anything wrong in it. There are a few other things they could do.

I want to tell a story about a fellow named Slim Semmler up north of Aklavik. A few years ago big Slim decided he was going to ranch mink. He brought in 20 ranch mink and said to the department of northern affairs who, of course, were the bureaucrats in the country, "Now, this is what I propose to do. In the area surrounding me there are native Eskimos", and I am using the word "Eskimos" as an example, but the same can be said of Indians. "If these people were taught how to ranch mink I am sure it would be profitable to them, much more profitable than trapping muskrats."

At the white whale station we have whales. Whale meat can be used to feed the mink and whale oil and muskrats from the trap lines can be used in the spring to strengthen the animals". Well, he received a nice letter from Ottawa. They said, "Well, it sounds like a wonderful idea but we do not think it will work". That is the answer you get every time. Oh, no, they do not think it will work. So, he decided he was going ahead anyway. He purchased two freezers from Norman Wells and shipped them all the way in. He intended to take the whales, crush the bones and all the rest of it and sell to the natives for mink feed and for dog feed. There are 30 tons to 40 tons of dog feed shipped in from Edmonton every year. This fellow was going to make dog feed right there and mink feed and sell it. What did the department of northern affairs say? They said, "Oh, no, you cannot make a profit off the Eskimos". They sent the R.C.M.P. in who said, "Take these freezers out of here". Out went the freezers.

Mr. Stewart (Winnipeg North): Why?

Mr. Hardie: That is the sort of co-operation that people get when they make suggestions as to what could be done. They do not say it is going to benefit anybody; they say, "Let us try it". But this department is not willing to try any of these ideas. Although I have heard that the department of northern affairs is working on eiderdown up in the eastern Arctic some place.

What about sawmills? I have read reports and I have heard members speaking in this house. I have read speeches made in 1951 or 1952. People have been speaking about sawmills on different Indian reservations. We have not one sawmill in the country. Aklavik is being moved. There is need for millions and millions of feet of lumber. There is going to be need for more lumber than we ever knew of or considered before, but there is not one sawmill in the Northwest Territories owned by the Indians. I sincerely ask the minister to do something about this. Let us spend a few dollars on some equipment, whether it is a sawmill, a whaling industry, a mink ranch, or whatever it is. Let us spend some money and organize these people. Let us do it as on the reserves on a co-operative basis. Let us do something to provide them with work, with a means to make some money to supplement what they receive out of trapping, $450 a year.

There were a lot of things I wanted to say when I rose to my feet. Take the case of natives who are handicapped with deformities. Take the case of a man who cannot get out on a trap line because he is walking around on two crutches. Why can we not do something about that? Why can we not hire these people and use them as interpreters? There is a fellow at Fort Resolution whose name is Louis Tinqui. In my judgment Louis Tinqui is the best Indian interpreter of the Slave, the Dog Ribs or any one of these bands. Louis Tinqui is running around on a pair of crutches. They have supplied him with a canoe, but what good is a canoe if he cannot go through the bush on his crutches? I think people like that should be given some sort of a job with the department. They want to earn their way. They do not want to go to the Indian agent every couple of weeks and ask for the destitute ration. They are not interested in that. They want to earn a living. If we can give them the opportunity to earn a living we will not have to worry about the native Indian being integrated into our so-called civilization.

An hon. Member: "So-called" is good.

Mr. Hardie: It is so-called.

Some hon. Members: Hear, hear.

Mr. Hardie: Mr. Chairman, the hon. member for the Yukon and the hon. member for Nanaimo mentioned they were in favour of giving the Indian liquor. Well, I think possibly they should have liquor, but they need a lot more than liquor and the most important thing of all, as I have pointed out a hundred times already, is to provide them with the means of earning a living.

The Tories who run against me in every election in which I have been involved have rushed around the country promising the Indian liquor in return for his vote. "Get his vote and give him the liquor permit,

boys". Well, I have never promised them a liquor permit although I am not against their having these permits. I am telling you, however, and I have told these people, the first thing I would fight for was an opportunity for them to make a living.

Mr. Nowlan: Have you succeeded?

Mr. Hardie: I am trying right now and I hope you support me.

An hon. Member: You are doing all right.

Mr. Gillis: You are keeping your promise.

Mr. Hardie: Mr. Chairman, there is another problem that bothers the Indian in the country. When they do get employment with the government, whether it is with the Department of Northern Affairs or the Department of Citizenship and Immigration or some other department, they are not paid in the same manner as civilians who are sent into the country from the outside. For instance, we have Indians who are hired as patrolmen. A patrolman is a very necessary person because usually the government sends in game wardens from Ottawa, Vancouver or Edmonton and they do not know where the Indians are living and they have to have someone to take them around. Therefore we have patrolmen.

The patrolmen are paid $175 a month—perhaps it runs from $150 to $175 or $185 a month—and they are given a cost of living bonus of $60 a month. Now, that sounds pretty good. The game wardens, however, are paid $3,250 per year and $1,500 a year cost of living bonus or $125 a month. The Indian is just as human as the white man and needs as much to eat. The patrolman should have the same amenities as the game warden. Why are they paying the Indian patrolman $60 a month as against the white man's $125? I cannot understand it at all. These people live in the same village and it costs them the same amount to live. As a matter of fact, it costs the Indian more to live than the white man because the white man who is sent in from Ottawa to act as game warden receives $3,250 a year plus $1,500 cost of living bonus, plus a $25,000 house, plus maple furniture, plus fuel oil, plus lights and all the rest of it. What do you think he pays for that? He pays about $28 a month for it. The patrolman, however, is perhaps living in a house with his wife and six kids. The oldest one is perhaps married and has not a home of his own and he may be living in the same house with his wife and all his kids. There are perhaps 12 people or more living in one or two rooms.

This brings me around to the subject of housing. I have heard it said the department of Indian affairs are improving housing conditions for native Indians in the northwest territories. They have improved about two houses in each of these communities. I had a man come to me last fall, a man who had just been released from the hospital after being confined there with tuberculosis for four years. When I was home last year he came to me and told me he was living at Trout Rock, about 40 miles away, where he had a house with a leaking roof. He told me he had asked the Indian agent to give him some roofing for the house but he was refused. I believe the Indian agent told him to come to me about it—yes, I believe he said, "Go over and see your pal Hardie". Apparently I am the Indian agent now. Well, if they want me to be the Indian agent I want to be paid for it. At any rate the fellow was sent to see me.

An hon. Member: Do you want the bonus too?

Mr. Hardie: I went to see the agent. I explained that this man had come out of a sanatorium after three or four years, and found that the roof of his house was leaking. His wife could not repair the house while he was away. The roof had to be fixed and he wanted some roofing, but it is like pulling teeth to get two rolls of roofing out of the Indian agent. Not only is the Indian pulling teeth but I am also trying to pull teeth.

The Chairman: Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Thatcher: Mr. Chairman, I want to preface my remarks on this Indian bill by saying that there is not a single Indian in my constituency; nevertheless, I am not too enthusiastic about the legislation which is before us tonight.

As hon. members know, the main purpose of this bill is to increase credit facilities for Indians. I am sure every hon. member in this house will sympathize with the principle of that legislation. I can readily understand, with the Indian population increasing and prices going up, that better credit facilities for Indians are needed. Frankly, however, I am not convinced the legislation which is before us tonight is the best way to give Indians better credit facilities.

I cannot help wondering, Mr. Chairman, if the government is not setting up too many different branches of government for the purpose of loaning money. Earlier today we had a bill which was passed for the purpose of loaning money to farmers. If one wishes to build a house in Canada today the government will loan money under the National Housing Act. It may loan under the Fisheries

Improvement Loans Act, under the Industrial Development Bank Act, under the Veterans' Land Act and so on.

Personally, I think there is a very real danger that with all these government loaning agencies in operation there could be a duplication of effort, and wasted effort. I see no reason whatever why loans made to Indians could not be made under the same facilities we have for making loans to other people in Canada.

During the past year the Minister of Citizenship and Immigration has made many speeches throughout the country, and has spoken about government policy in connection with Indians. If I understood him correctly, the main purpose of government policy is to integrate the Indian into our Canadian way of life.

I am going to suggest tonight that this government policy is a step in the opposite direction, because it continues to keep the Indian in a class apart. It sets up or extends at the expense of the taxpayer, a large administrative machine for the specific purpose of providing credit for Indians which duplicates facilities already in existence for other Canadians. I suggest that this problem could be met much more adequately if instead of bringing forward this legislation, the government took steps to bring the Indian under the provisions of other existing federal acts.

To give one example; why should an Indian wanting to build a home not be able to do so, by taking advantage of the provisions of the National Housing Act. Or if an Indian wishes to purchase a farm, why should he not be able to purchase it under the provisions of the Canadian Farm Loan Act. If an Indian wants to purchase a boat for fishing, why should he not make a loan under the Canadian Fisherman's Loan Act? And so on. Even more important, I think this government should take steps to allow and encourage Indians to take advantage of the benefits offered by our banks, mortgage companies and so on. It may be that the government would have to guarantee the loans, but they have done that in many other cases in the past, and I do not see why they should not do it for Indians.

I repeat that I am in sympathy with the objectives of this legislation, but I feel that the machinery proposed is completely wrong. I submit that the sooner encouragement is given to our Indians to use existing credit facilities when they require loans, the sooner they will join with other Canadians in making a maximum contribution to this nation. I think it is possible for the government

[Mr. Thatcher.]

to get into the lending business too extensively and therefore I am opposed to this legislation.

Mr. Dinsdale: Mr. Chairman, it seems to be that in dealing with the Indian problem it might be considered to be more of a white problem than an Indian problem. That is what I would conclude from some of the comments we have just heard. It is so seldom that we have a chance in this house to deal with matters relating to Indian affairs that there is apt to be a sad misunderstanding of the nature of the problem.

I would assume that the resolution before us will have much wider implications than the extending of credit facilities to the first citizens of Canada. In introducing the resolution this afternoon the minister dealt almost exclusively with that particular part, but he hinted, very vaguely perhaps, that there were to be substantial amendments to the Indian Act. Later on the hon. member for Calgary North dealt with some of the amendments which are proposed, basing his information on the trial run which had been given to the legislation before the conference of representative Indians which was held recently in Ottawa.

I hope that tonight we are to be allowed to speak on the broader aspects of the resolution, namely the contemplated changes or amendments to the Indian Act, or as the resolution puts it, changes in connection with the administration of the act. It was in 1951 that substantial amendments were made to the Indian Act. At that time the department took on a new look. There was a new attitude adopted toward the problem and since that time the minister and officials of the department have been endeavouring to interpret the new approach to the problem in public statements across the country.

They recognize that the essence of the difficulty is the reserve system. Speaker after speaker from the minister down has indicated that if we are going to integrate the Indian population, if we are going to eventually assimilate these first Canadians into the general life of Canada, we must break down the system of segregation which has been growing up since the arrival of the white man in this country. It is generally suggested that the best way to carry out this desegregation program, if I may use that term, the best way to break down the reserve system is by a stepping up of the educational program.

I trust that in the amendments which will be brought in as a result of this resolution, especially those having to do with changes in administration, will permit the minister to give some attention to the difficulties which have arisen in administering the new look and

in the educational approach to a solution of the Indian problem. Formerly the emphasis in the department was on residential schools. It seems that both the English and later the Americans when first approaching this difficulty of dealing with the native population already resident on the North American continent, when the white man first arrived, automatically adopted isolation and segregation as a solution. When it became a matter of providing educational facilities the isolationist and segregationist approach was adopted and the emphasis was placed on residential schools.

In carrying out this program the children are removed from the reserve and from parental influence for a few months annually while they attend a residential school. In the summer they return to their homes on the reserves. It was demonstrated by the residential school system that the Indian child was quite capable of adapting himself to the white man's educational program.

However, emphasis on the residential school has aggravated the isolation and has made it quite impossible for the Indian to adapt himself gradually to the wider culture of the white man. It meant that a child having completed the prescribed educational program in a residential school returned to the reserve and was eventually absorbed into the cultural pattern of the reserve. This system was doomed to failure from the beginning because in any society the authority descends from the adult rather than ascends from the child, and there was no hope whatsoever that the child would have any influence upon the cultural pattern of the parents.

Now the department is gradually moving away from the emphasis on residential schools. The new look today is on the establishment of day schools on the reserves. That seems to me to be the beginning of the breakdown in the isolation of the reserve system that has worked against any possible movement towards integration.

The Americans adopted this method as far back as 1926 and have been experimenting with it with a fair degree of success since that time in handling their own native population. The Indians in my constituency have very close blood relations across the border, and it is obvious that the relations living in the United States have made a much more successful and rapid adjustment to the white man's society than their cousins living across the Canadian border.

In our Canadian program, although it has been in effect for only a few years, we are already running into some administrative difficulties. In the day school system on the United States reserves the emphasis is on the educational role. The educational program is comprehensive. It embraces more than the children. In fact, the schools serve more as community centres, rather than performing the basic functions of providing the rudiments of education. There is a very comprehensive adult education program. It is realized that, if you are going to raise the whole level of life on the reserve, you must work with the adult population as well as with the rising generation.

They avoided too the difficulty which is a carry-over from the emphasis on the residential schools. The residential schools had to provide comprehensive religious education for the children, who were removed from parental influences, and religious instruction dependent on the denominational emphasis of the particular school was an integral part of the life of the residential school.

Coming back to the day schools on the reserve, however, the fact that the members of the various reserves are divided in their religious affiliation has caused certain difficulties. There are two reserves in my riding—the Oak river reserve and the Oak lake reserve—and on both these reservations this problem has emerged in connection with the day school programs. If the majority of the population are of the Roman Catholic faith, they want the Roman Catholic religious emphasis in the schools. If, on the other hand, the majority are of the Protestant persuasion, they want the guarantee of a Protestant religious emphasis in the schools.

The situation is precipitating a type of segregation that is perhaps even worse than the former isolation and segregation of the reserves, in that each group wants its own school on the reserve. This produces the unhappy state where you not only have the basic problems of reserve segregation from the normal community but you have the reserve itself divided down the middle on religious grounds. I do not know what the solution is but I hope that in reconsidering some of the problems that have emerged under this new day-school emphasis the minister will find a solution whereby we can break down this most awkward type of segregation.

I have had letters on the problem from the chiefs of both the Oak River reserve and the Oak Lake reserve. I noticed that in the issue of the Brandon *Sun* of June 8 there is an announcement of the construction of a new school on the Oak River reserve which will supplement the school already in existence in that place. I visited that reserve last summer and I was quite impressed with the type of educational program they had there. It would seem that the appearance of the new

school is going to split the reserve on denominational lines. The chief of that particular reserve admits, in a letter I have before me, to the need for religious instruction in the curriculum of the residential schools because of the separation of the children from their parents, but he feels that a closer family integration would be achieved if in the new emphasis in the reserves religious instruction were made the responsibility of the churches and the chapels on the reserve, and also if the responsibility were placed upon the parents of the Indian children.

From statements of the minister that I have been able to gather together, I know that he is aware of this difficulty that any beneficial effect that might be obtained from establishing day schools is going to be negatived if it is going to split the reserves on denominational lines. In a speech before the Young Men's Canadian Club in Toronto on February 1 of this year the minister said he hoped the day will come when Indian schools are abolished completely in favour of the system where all children will sit in the same classrooms. That is an objective that is to be devoutly wished for but, of course, it is a long way off as yet.

An experiment has been going on, on an increasing scale and on a successful basis, I feel, of allowing the children on the reserves to attend the ordinary high schools in the community and mingle with the rest of the population. That is the beginning of the program that the minister announced in his speech before the Young Men's Canadian Club. Education is the solution for decades of segregation; if integration and the breakdown of isolation are going to be eventually achieved, it is going to be through education, and we must avoid the pitfalls that were in the residential school approach to the education of Canada's first citizens.

There is another query I should like to raise at this time arising from the new emphasis in the department. I refer to the attempt to give the Indian wider responsibility in the conduct of his own personal affairs in the community life of the reserve by means of elected councils. This again is an excellent idea. But here the reserves are running into difficulty because the Indians themselves are not quite capable of handling the electoral system. They get the idea that, under the new system, they are to have the absolute say as to what should take place on the reserves. On the other hand, the superintendent or the agent tends to feel that the Indian is not yet capable of looking after his own destiny. Hence, a conflict of interests arises.

This matter, of course, is connected with the question of enfranchisement of the Indian.

I agree wtih the hon. member for Nanaimo that the Indian should be given the vote just as soon as possible. In many cases the Indian in Canada is ready for the vote. It would provide an incentive for his personal development. It would provide a new sense of responsibility that would help to break down the feeling of inferiority that is part of the Indian's personality as a result of long years of discrimination and segregation on the part of the conquering white man.

In dealing with this problem, an educational program must be carried out. The Indian councillor, the Indian chief or the Indian mayor must have closer supervision if he is to handle his own affairs successfully without getting into the difficulties that have already occurred on the reserves in my own area; and I would imagine the same situation obtains on other reserves operating under a similar scheme. I have also run into another difficulty. The Indian chief and his councillors are coming in contact with some of the less savoury aspects of the white man's public affairs. He is encountering petty patronage and such things as preferred lists and so forth. I am constantly receiving complaints that the Indian is being forced to take relief vouchers and to deal with a particular business because it is on the preferred list or because some petty patronage is involved. That is education of the negative kind and I am sure it will not assist our Indians in understanding the true purpose of the democratic process.

Another difficulty that has come to my attention under this new policy of the department is the responsibility for health services. Mr. Chairman, I am getting a signal from the Minister of National Health and Welfare. I suppose this comes under his jurisdiction more than it does that of the Minister of Citizenship and Immigration, I believe.

Mr. Pickersgill: It is therefore entirely out of order.

Mr. Harkness: You tried that once and it did not work.

Mr. Pickersgill: Oh, it is hopeless to get anyone to obey the rules.

Mrs. Fairclough: Listen to who is talking.

Mr. Dinsdale: The Indian is being encouraged to leave the reserve and to take on the full rights of citizenship. That is all to the good. On the other hand, he is finding that as soon as he leaves the reserve and incurs any medical expenses he is faced with medical bills of $200 or $300; and any incentive to emancipate himself from the reserve is lost once he is confronted with financial obligations of that kind.

I have negotiated with the department—the department of Indian affairs, as a matter of fact—and I believe they are trying to cope with this difficulty which has arisen unexpectedly under the new policy of the department. In the course of this discussion I should like to know whether any rule has been laid down as to when the Indian becomes responsible for his own medical expenses or when he operates under the system that covered him when he was living on the reserve.

We must realize that there must be a weaning process. You cannot project the Indian into the white man's civilization overnight. He has been living in a world apart for 100 years or so. Suddenly to thrust him into the cold competitive world of the white man is not in the best interests of the emancipation program. The weaning process must be gradual. The Indian, when he gets out into the wider world beyond the reserve, does not have the community supports that the new Canadian has, for example; because there is towards our Indian population a discriminatory attitude that has grown up mainly owing to lack of understanding, mainly owing to stereotypes that have evolved largely because of the fact that the Indian has not been in touch with the white man but has lived apart on the reserve, and the white man has seen him only at such times as he has emerged from the seclusion of the reserve and made a brief contact with the white man's world. It is because of this misunderstanding, Mr. Chairman, that I sometimes feel the problem is more the problem of the white man than that of the Indian.

Speaking just for a moment on this matter of the extension of credit facilities, I should like to say that it would be a fine thing if the Indian could take advantage of the credit facilities that are afforded the ordinary Canadian citizen in connection with farm loans, farm improvement loans and so on. The difficulty is that the Indian does not understand the white man's pecuniary civilization. He has lived in a world apart and he is going to have to be nurtured gradually towards a full position of responsibility as a Canadian citizen. I would certainly support the broadening of credit facilities as announced in the resolution. To repeat once again the broader approach to the problem, I trust that when the legislation is before us, the minister will do something to make amendments in the act and changes in the administration of the act that will deal with some of these difficulties that I have outlined.

Mr. Brown (Brantford): I should like to say a word or two, Mr. Chairman, in support of the resolution before the committee. I am pleased to note that, in particular, the minister in his resolution has moved that the act which will be brought before us will provide, amongst other things, that the Minister of Finance may from time to time advance to the Minister of Citizenship and Immigration out of the consolidated revenue fund such sums of money as the minister may require for loans to Indians under section 69 of the act.

Then it goes on to say:

> The total amount of outstanding advances under the said section not to exceed at any one time one million dollars in lieu of three hundred and fifty thousand dollars as at present.

I think the minister is to be congratulated upon bringing forward this resolution at the present time. I am sure also that whatever changes are made in the Indian Act at this time, they will be changes which will be of lasting benefit to the Indian people.

I am very much interested in this subject because adjoining my constituency is one of the largest Indian reservations in this dominion, if not the largest. I refer to the Six Nations reservation. I cannot emphasize too much, Mr. Chairman, the contribution that the Indian people have made to the development of Canada across the years, a contribution that is written in the pages of Canadian history from the beginning of time so far as this country is concerned. I do not think that we can have enough legislation brought forward to give the Indian people the chance to continue to play that part that they have played in our history over the years. Anything that is brought forward that allows the Indian more privileges, that allows the Indian an opportunity to play his part in our national life, is something I would support with all my heart.

I just want to go back a little bit for a few moments to outline what the Indian people have contributed to the culture and history of Canada. In 1783, as you know, Mr. Chairman, the Indian population in the Mohawk valley of the United States, known as the Six Nation Indians, fought on the side of the British crown. They grew to cherish and love British traditions, which we all love, and as a result these people fought on the side of the British crown at that time. When the American revolution was over, and after a promise from Sir Guy Carleton, governor general of Canada, they came in great numbers to settle on the banks of the Grand river in the province of Ontario, where they have resided ever since. A large strip of land along the Grand river from its source to its mouth was deeded to the Indian people of the Six Nations. Most of that land has been sold, but that large reservation

still stands and is the balance of the land that is still held by these great and valiant people who settled there following the American revolution.

Following the war of American independence came the war of 1812. I should like to remind the house that during that war there was only a thin line of settlers all the way from Amherstburg to Soulanges. It is true that these settlers stayed loyal to the British crown at that time of stress, but had it not been for the Indian population I am quite certain that our province of Upper Canada would have fallen to the invader. At the time England was involved in European wars and all she had here to protect this part of Ontario, the part in which I reside, was the militia. It was not adequate to meet the invader but the Indians stood to the last man and as a result we were able to hold Upper Canada. We have today, therefore, the province of Ontario, but had it not been for that contribution the Indians made I have my doubts whether that large part of Canada would be on the map of Canada today. What we owe to these Indians who stood under the leadership of Joseph Brant loyally by the crown of England is incalculable. As a result, today we have our Dominion of Canada, of which we are all so proud.

Now, Mr. Chairman, in mentioning that contribution of the Indians, I have to mention my own city of Brantford, named after Captain Joseph Brant, the leader of the Mohawks, the leader of the Six Nations confederacy about which I have spoken. This noble and valiant figure will go down in history as one of the greatest of all Canadians. The point where he settled on the Grand river, and where he crossed the Grand river, was known as Brant's ford, and hence came the name of Brantford. Had it not been for Joseph Brant, there would not be a Brantford on the map of Canada today or a county of Brant.

I know it is sentimental, but as the member for Brantford, I cannot help recalling those acts in those days in dealing with the legislation which we have in front of us today. In the centre of Brantford is a large park called Victoria park and in the centre of that park is a magnificent monument to Joseph Brant. As long as I have lived there and practised law I have passed that monument every day coming to and going from home. Every time I passed that monument I used to think of the contribution that that stalwart figure made to our nation and country.

Various hon. members have spoken of the many contributions of the Indian people. Something has been said of their oratory. I wish we could hear some of that oratory in this house. I have heard some of it in the English language. They are orators in the English tongue as well as in their own tongue. I feel that the contribution they have made to Canada has not come to fruition by any means. I am certain the day will come when they will play the part that they played of old in the history of Canada. Back in the history of the Six Nations confederacy is the figure of Deganawida. He united the six warlike tribes of the Mohawk valley, who had spent all their time at war with each other. He conceived the idea that they could sit down and discuss their problems, smoke the pipe of peace and arrive at a solution of some of these problems and live in mutual peace instead of destroying each other. Out of that concept today we have the United Nations. There have been several authors who have drawn a comparison between what Deganawida said in his day and what has been done during the last few years under the United Nations. That comparison has been made many times and it cannot be made too often. Something also has been said about the vote being given to Indians. I remember last year I put a motion on the order paper to the effect that the federal vote be extended to Indians. I still feel that the day is coming when that vote will be given with no strings attached, Mr. Chairman. I would like to see the Indians be allowed to preserve all the rights they have under treaties and otherwise of the past and at the same time be accorded the vote if they wished to exercise it so that they could have some say in the affairs of our country.

I know the day will come when there will be Indians sitting in this House of Commons and in the Senate of Canada. I look forward to that day and I know it will come. I know it cannot be brought in under this bill but I think it will come.

May I also speak just for a moment about the contribution that Indians make to our national life in the line of athletics? They are supple, active and fleet. I know that over the years they are going to play a larger part in that field and make Canada proud of the contribution of her first citizens to our national life.

In speaking of the Indians, again I should like to remind the committee of the contribution the Indian people have made since 1812. It did not end there. In the war of 1914-18 and in world war II the Indians of the Six Nations confederacy gave their all for what our country stood for and to what we were committed in those two great wars. Everyone knows that. As a result of all those

things, certainly I should like to see them get the federal vote some day, and I am sure they will. I am glad to see that at least in this bill a considerable amount of money, more money than has been available heretofore, will be made available to Indians.

Everybody in Canada needs credit. We are all living on credit. I do not know what a great many members in this house, including myself, would do if we were not able to have credit facilities. In order for the Indian people to play their part they need credit facilities. I am delighted that at least this item is to be included in the bill. I am sure the other provisions will be matters which will enable Indians to play a more important part in the life of this country than they have ever played before. Whatever their rights are, I should like to see them have the same rights as other Canadians.

In conclusion, Mr. Chairman, I have spoken of the contribution of the Indian people in wars, but I should like to see that contribution given in time of peace and it will be given under the enlightened legislation that is beginning to come forward. The present minister has shown a great understanding of the questions involving Indians, particularly in my part of the country, and, as a result of that, I am sure that from time to time we shall have more changes in the Indian Act which will enable the Indian people to continue to play the part which they have played and which I outlined at the beginning. I long for the day when we can sit together with our brothers, the Indian people, and discuss our mutual problems under their great tree of peace.

Mr. Campbell: Mr. Chairman, there is a significant difference in the debate that takes place in this house regarding the Indian problem and many other debates. It is significant because probably all of the hon. members who have spoken on this problem are really trying to do something to help the Indians of this country. I have said that this is the greatest human problem that we have in Canada. That problem is intensified in some districts more than in others. In almost every area of Canada the problem is different.

I listened with interest to the hon. member for Brantford, who has just taken his seat. I am quite sure in my own mind that when he speaks on Indian affairs he does so from his heart. I spent a couple of days on the Six Nations reserve a few years ago and I had a very hearty welcome. I found that the Indians in that particular area were very much advanced over the Indians in my constituency. There are 10 Indian reserves in my constituency and I make it a point to visit them periodically. I think that before anybody speaks in this house on Indian affairs he should spend a little time and acquaint himself with some of the problems before he rises in the House of Commons and opposes legislation brought in with the idea of helping the Indians.

I have said that the problems are different in different areas. This afternoon and tonight we heard from several members from different sections of the country where the problems are different. In my constituency I am interested in three things. I am interested in this legislation because it is going to give some help to the Indians to provide themselves with homes, with farm machinery and with necessities. At least, that is my hope. I would like to see something further done when loans are made. I am not one who wants to see money thrown down the ditch. When loans are made to Indians for farm machinery some provision should be made to give those Indians some understanding of how to take care of those machines. Machinery costs money today. It is a mistake to give an Indian or anybody else a $3,000 or $4,000 tractor if he does not know how to take care of it.

Last year I made two suggestions. My first suggestion was that something should be done along those lines to give our Indians on reserves an opportunity to learn how to take care of farm machinery, trucks, and so on. My second suggestion was that something should be done to teach them how to build houses. I sometimes think that if a man like John Fisher, that great Canadian, could travel through Canada for a couple of months visiting our Indian reserves, or some other newspapermen who were good story tellers, and tell the people of Canada just what the problem is on the Indian reserves, it would help build up public opinion so that we would not hear carping criticism of expenditures made for the purpose of helping our Indians. I would like to take the hon. member for Moose Jaw-Lake Centre through my constituency and show him some of the houses or hovels in which our Indians live. A lot of people would not keep their dogs in there, and I am sure a lot of race horse men would not keep their race horses in the kind of buildings our Indians are living in. I think it is a disgrace. Every time I go to my reserves I come back feeling sad, and when I come down here I want to try to get the minister and the department to move more rapidly. The more I see of life on the reserves the more I realize that it is not an easy problem. He would be a wise man who would suggest for a minute that he could solve all the problems.

I offered last year to co-operate to the fullest extent with the minister in trying to

get some things done. I know there are opportunities being lost on many of the reserves because advantage of those opportunities has not been taken. I know there are some reserves that have a lot of good agricultural land which is not being used. Other reserves have good timber on them and the timber could be sawed up and made into lumber to help provide homes. I think the Indians should be encouraged to do for themselves. I have perhaps made some enemies amongst the Indians because when I have gone up to see them I have said, "You cannot expect the government to do everything. You people have to do your own share and accept some of the responsibility. You have to develop an interest in bettering your own condition and if you will do that you will receive assistance from the government. If the government gives you a few cattle and you let them starve to death you will not receive any more help. You have to do your share." I think all of us should be talking to the Indians in that manner and not just going amongst them trying to stir up trouble for the department.

As I said before, the houses in my constituency are in such a bad condition most people would not keep their dogs in them. I think it is a shame in a great country like this that we cannot move forward a little faster than we are. I know it is a serious problem and the problem is not always helped by the Indians themselves. When the bill comes down I will have more to say.

When the amendments to the act come down I hope we will find that something is being done for the younger generation. I think a lot of the older Indians are fixed in their ways and there is not much hope of getting them out of the rut they are in. I feel sorry when I see dozens of young men and women coming to our towns and villages looking for work. When the white men ask them what they can do, the work they can mention is limited. Some of them are learning to drive trucks but frequently they cannot handle a combine. Some of them are slowly beginning to learn how to do various jobs. I think something must be done to teach the young people how to earn a living. That is one of the biggest jobs confronting the minister. I have assured him before and I will assure him now that he will have my full co-operation in any measures he undertakes.

Mr. Pickersgill: Mr. Chairman, I want to take only about two minutes. On the one subject that is specifically mentioned in the resolution I think I can say that every member of the committee who has spoken so far has been in agreement with it except the hon. member for Moose Jaw-Lake Centre who felt it was unnecessary to have these credit facilities because there are all sorts of credit facilities available to other Canadians. On that point I would like to say, as I am sure most members of the committee are aware, it is not possible for Indians to hypothecate their property and it is not possible to seize the property of Indians in payment of debts, as is the case with other people. That is the reason and the only reason why some arrangement for credit to Indians has to be made as long as they have this special status.

I want to mention just one other thing. While I do not want to do anything that suggests cutting off any hon. member who wishes to speak, I wonder if it would be possible for those members of the committee who still wish to speak to make their speeches fairly short because we will have lots of time on second reading. There will be no—

Mr. Knowles: Closure?

Mr. Pickersgill: There will be no closure on second reading or in the committee when the whole bill will be before us. At that time it will be possible for hon. members to address their speeches more directly to the bill. I want to set that example at this time. I have listened to everything that has been said. I will confine my remarks to this statement and try to reply to the other points when second reading comes up.

Mr. Charlton: Mr. Chairman, judging from what the minister has said one would assume there is not to be any closure on this bill. If he had given that assurance earlier we might not have taken so much time on the resolution but we were fearful that closure might be brought forward and we wanted to say what we could at the resolution stage.

Mr. Knowles: The minister has a reputation.

Mr. Charlton: Mr. Chairman, I want first of all to commend the hon. member for Brantford on his excellent speech with regard to the Six Nations Indians. I agree with most of what he said. I made similar statements in the House of Commons before regarding the place the Indians have held in the history of this great nation. This is a thing very few people realize unless they are living in close contact with an Indian reservation and have an opportunity of hearing some of the talks that are given by Indian historians. We have some very good ones around Brantford and I have listened to them on many occasions.

I want to add one comment to what the hon. member for Brantford has said. I heard

a comment recently which was very impressive. It came to my attention that the school system on the Indian reservation at Brantford is one of the best in any township across the Dominion of Canada. It would put many townships to shame. In addition to that, the percentage of children attending secondary schools in Tuscarora township is higher than any surrounding township in the district. That is a matter which I think should be known. I understand that is the case although I have no definite proof that it is.

Now, Mr. Chairman, in relation to what is contained in this resolution I think it should have been done long ago. After listening to the hon. member for Brantford it was brought forcibly to mind that we have treated the Indians in this country in a disgraceful way, particularly when one considers what they have done for us. I think most people in Canada will agree with that. Whether or not this government is finally going to do more for the Indians still remains to be seen. Certainly nothing was done under the last revision of the Indian Act. We cannot speak about the measures coming forward in this act because we do not know what they will accomplish, but judging from some of the things we have heard I assume the minister himself is seeking more control.

As I said yesterday with regard to another bill, this disease seems to be highly infectious. One minister after another comes before parliament and asks for greater control and power in his own department, taking the power away from the governor in council and placing it in the hands of the minister himself. It is not a laughing matter, Mr. Chairman.

An hon. Member: The minister thinks so.

Mr. Charlton: I see the minister is laughing; he thinks it is a big joke, but for those who have to tolerate that sort of legislation I can assure him they do not appreciate it.

There has been a veil of secrecy concerning the number of meetings held with regard to the proposed changes in this act. I would like to ask the minister several questions at this time. At how many meetings were delegates from the Six Nations reservation in attendance? Did they know of all the meetings that were held? If not, why not? I understand there were two meetings held about which the Six Nations group did not know anything, and that, of course, did not increase their feeling of good will toward the government. Instead, it only increased their suspicion toward what is being done by this government.

Mr. Pickersgill: Would the hon. member like an answer to that question now?

Mr. Charlton: Yes, of course.

Mr. Pickersgill: There was only one meeting held. It was held with representatives of Indians from all over Canada in the month of December. That was the only meeting at which the proposed amendments to the act were discussed with the Indians.

Mr. Charlton: That is the only meeting at which these proposed changes were brought forward. Have there been any other meetings regarding the Indian Act or Indian administration?

Mr. Pickersgill: There are meetings all the time all over the country.

Mr. Charlton: Have the Six Nations Indians always been represented?

Mr. Pickersgill: Not at the ones in British Columbia.

Mr. Charlton: There are no Six Nations Indians in British Columbia.

Mr. Pickersgill: There has been only one national meeting.

Mr. Charlton: The Six Nations were or were not represented?

Mr. Pickersgill: They were represented and very ably represented.

Mr. Charlton: If they were represented I would say that they would be very ably represented. Did they agree to the changes in the act that are being brought forward?

Mr. Pickersgill: I think that is something about which the Indians should be allowed to speak for themselves, but I had the impression that they agreed. However, I do not like to speak for other people.

Mr. Charlton: That is not the story I got. We will let that go for the moment. The minister made a speech before the Canadian Club here in Ottawa on March 28, and in the last paragraph on page 4 he is reported to have said:

> Under the present Indian Act it is possible for an Indian to retain his status as an Indian and to secure the vote in federal elections.

That is all the minister said about it. The minister did not go on to explain what they had to do, he just said that under this act it was possible. Yes, it is possible if they give up their rights to income tax exemption. That is the string attached to it. Surely we are not so small that we will not give the Indian, after hearing what the hon. member for Brantford had to say, a vote in federal elections. They have to pay all the taxes which other people pay except on land in the reservation and income tax on earnings made on the reservation. They pay every tax that anyone else pays, and yet

they do not vote. Then on page 20 the minister is reported as having said:

> The status of these Indians who do not live on the reserve and who are not yet enfranchised is, in many ways, similar to the status of immigrants who have not yet become citizens, and we are doing all we can, all the time, to encourage these Indians to accept the full responsibilities of citizenship whenever they seem able to do so.

In another place the minister referred to the Indians as being citizens with a difference. Yes, I would say there was a difference. In some cases a person may come to this country and in five years have the vote, and it may be only one year for others if they apply for citizenship, but for the Indians it has been many, many years and they still have not the vote. The minister calls them citizens with a difference. Yes, there is a difference all right.

These first citizens of this land have fought consistently for Canada. They fought for the British crown through two world wars, or through three wars if we count the war of 1812. Still the minister refers to them as citizens with a difference.

As I understand it, the government has a trust fund of over $1 million in connection with the Indian reservation at Brantford. Can those Indians get any of that money? It is almost impossible for them to get any. The matter has to go before the band council and be approved unanimously by the council; it has to be sanctioned by the Indian agent and then the minister must sanction it before they can get any money. Yet it is their own money.

It has been said on various occasions that it is the desire to give Indians more responsibility. The Six Nations Indians at Brantford have accepted a great deal of responsibility. They would be prepared to accept a great deal more. However, if the government expects them to become ordinary citizens and takes away all the rights they have now, takes away their reserves which they have now, then they do not want to become citizens. As the hon. member for Brantford mentioned, this reserve once extended from the mouth of the Grand river to its source, six miles on either side. I live in that district. Thousands and thousands of acres of that land were given away practically for a mere song and the reservation is now down to its present size. They have the largest reservation in Canada with the greatest population, and that reservation is dear to them. It is a haven for them.

I hope that this government or any other government will never say to the Indians of Brantford that they cannot retain that reserve. Some mention was made of splitting it up and making it possible for whites to go in and buy land. The minister shakes his head but that has been mentioned several times.

Mr. Pickersgill: It has never been mentioned by me.

Mr. Charlton: Maybe not by the minister, but he is not the only one in the government who mentions things about Indians. As I say, it has been mentioned.

Mr. Philpott: By your colleague, the hon. member for Brandon-Souris.

Mr. Charlton: I did not hear him. If he did mention that I did not hear him.

Mr. Philpott: He was in favour of breaking up the reservation system.

Mr. Charlton: I did not understand him that way. They are entitled to break up their reservations if they want to according to the provisions of the new act. If they want to do away with their reservations and become enfranchised as a body, that is their right, but certainly it should not be forced upon them in any way.

Progress reported.

LIBRARY OF PARLIAMENT

INCLUSION OF SPEECHES MADE AT THE REOPENING OF THE LIBRARY IN PROCEEDINGS OF TODAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with the consent of the house I should like to revert to motions and to ask the hon. Leader of the Opposition if he would second a motion that the speeches made at the reopening of the library be printed as an appendix to the *Hansard* report.

Hon. George A. Drew (Leader of the Opposition): I shall be very happy to agree.

Mr. Speaker: Has the right hon. gentleman leave to revert to motions at this time?

Some hon. Members: Agreed.

Mr. St. Laurent (Quebec East): I beg to move, seconded by the Leader of the Opposition (Mr. Drew):

> That the address of His Excellency the Governor General, delivered this day upon the occasion of the reopening of the library of parliament, together with the related speeches of the hon. the Speakers of both houses of parliament and the hon. the Minister of Public Works, be included in the House of Commons debates of this day, and form part of the permanent records of this parliament.

Motion agreed to.

(*For text of above see appendix, pages 5203-04.*)

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we will take up defence estimates.

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

APPENDIX

The
UNVEILING OF THE MEMORIAL PLAQUES
at the
REOPENING OF THE LIBRARY OF PARLIAMENT
on
Tuesday, June 19, 1956

Address of His Excellency the Governor General and speeches of the Honourable Wishart McL. Robertson, Speaker of the Senate, the Honourable L. René Beaudoin, Speaker of the House of Commons, and the Honourable Robert H. Winters, Minister of Public Works.

Hon. Wishart McL. Robertson (Speaker of the Senate): Your Excellency, Mr. Prime Minister, Mr. Speaker of the House of Commons, ladies and gentlemen: The object of this gathering is to be present at and participate in the official reopening of the library of parliament. His Excellency the Governor General has graciously consented to officiate at the reopening of the library and the unveiling of the plaques. The English version of the plaque is as follows:—

Library of Parliament

This building, begun in 1860 and completed in 1876 was opened in February 28, 1876, by the Earl of Dufferin, Governor General of Canada. It survived the great fire which destroyed the parliament buildings in February 1916, but was severely damaged by fire in August 1952. After restoration it was reopened on June 19, 1956, by the Right Honourable Vincent Massey, Governor General of Canada.

(Translation):

Hon. L. René Beaudoin (Speaker of the House of Commons): Your Excellency, Mr. Speaker of the Senate, Mr. Prime Minister, ladies and gentlemen: We are gathered here today to witness the reopening of our library.

To preside over such an important ceremony, it was fitting that we should invite that personage who symbolizes parliamentary authority. On your behalf and on behalf of the members of the joint library committee, I am happy to thank His Excellency for having so graciously accepted our invitation.

Certain historical notes concerning our library have been transcribed on a plaque commemorating today's solemn event. The inscription reads as follows:

Library of Parliament

This building, begun in 1860 and completed in 1876 was opened in February 28, 1876, by the Earl of Dufferin, Governor General of Canada. It survived the great fire which destroyed the parliament buildings in February 1916, but was severely damaged by fire in August 1952. After restoration it was reopened on June 19, 1956, by the Right Honourable Vincent Massey, Governor General of Canada.

From August 1952 until today our librarians and their assistants, in spite of the difficulties and inconveniences of temporary quarters, have managed to provide us with the valuable help to which we had for so long become accustomed on their part.

I am happy, on your behalf, to pay tribute to their devotion and to thank them for their loyal services.

While restoration work was in progress, the library was entrusted to the care of the hon. Minister of Public Works (Mr. Winters) who is now pleased to let us resume its use and possession. I congratulate him and thank him for a magnificent achievement on behalf of parliament, and now invite him to address us.

(Text):

Hon. Robert H. Winters (Minister of Public Works): Your Excellency, Mr. Prime Minister, honourable Speakers, ladies and gentlemen: The interest of the Department of Public Works in the library of parliament goes back as far as 1859, when the erection of the parliament buildings was approved. Thanks to the foresight of the architects and the contractor, several steel fire doors were installed in the library when it was built. It was prompt closure of one of these doors that saved the historic building from serious damage, if not total loss, during the disastrous fire of February 3, 1916, which destroyed the centre block.

The second fire, which occurred on August 4, 1952, dealt this historic structure a heavier blow. You know the story of that day—how many thousands of books had to be moved quickly and dried to minimize the damage by water and smoke. Following the immediate investigation into the cause and extent of the fire, the Department of Public Works undertook the removal of everything inside the building and immediately started planning rehabilitation.

This, it subsequently turned out, involved a great deal more than replacement of charred timbers and redecoration of smoke-fumed walls and ceilings. It was discovered that in order to ensure greater protection against further disasters, the entire interior of the building would have to be rebuilt using fire

protection methods and materials. One thing led to another and what was first estimated to be a $1 million project came to involve an expenditure of approximately $2½ million. This is usually the case when large-scale renovations of old buildings are undertaken. But today we see the worth-while results of that expenditure. I am grateful to those members of the press who have conducted their own investigations and reported so favourably upon the quality of the work that has been done. This is one of the rewards for painstaking efforts to rehabilitate the library of parliament, to maintain the integrity of design and the ideas which were in the minds of the original architects and builders.

Canadians today are deeply aware of the value of our historic relics, and I am pleased that the Department of Public Works was able to play a role in restoring this fine old structure to the point where you can see it here today, faithfully reproduced, true and unaltered, but strengthened to endure the ravages of accident and time.

Of course it is not yet fully finished. In due course, for example, you will see better and more appropriate furniture in its main reading room. Other finishing touches need to be added, but in the meantime it gives me great pleasure, on behalf of the Department of Public Works, the architects and builders, the prime contractors, the subcontractors and all who have laboured so carefully and efficiently, to turn over to your care again, Messrs. Speakers, this beautiful and beloved old library of parliament so that it may render further service to the people of Canada.

Hon. L. René Beaudoin (Speaker of the House of Commons): Ladies and gentlemen, His Excellency the Governor General of Canada.

Right Hon. Vincent Massey (Governor General of Canada): Mr. Prime Minister, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Mr. Winters, ladies and gentlemen:

I greatly appreciate the privilege you have given me this afternoon. This is a very important event for all of us, the restoration and reopening of this historic building. It is easy to build a new structure, but it takes faith and courage and a true feeling for the past to treasure and restore an old one such as this. It is not what the architects of today would design for a modern library. It is not streamlined. It is not functional. It has no new look, but it has a very good old look. It is the kind of library that our founding fathers were proud to set on this hill, which was to be the scene of a nation's deliberations.

(Translation):

The library of parliament is but one of that large number of institutions which illustrate so well the bilingual character of this country. Among these innumerable works, covering such a wide variety of subjects, there are many which relate, in both our official languages, the history of our nation.

This library, used by representatives of French and English Canada, constitutes, as it were, an official link between Canadians of differing languages. Within its walls, it assembles works which bear upon every aspect of our Canadian life.

We are happy to note that it has been perfectly restored and that it is once more capable of performing, on behalf of our country, the important service expected of it.

(Text):

This library is a Victorian building. Old Ottawa, what is left of it, is a Victorian city. Its architecture expresses many of the qualities of that great era, and reflects a romantic feeling for the past. Such buildings should not, of course, be reproduced or imitated, but when surviving examples are preserved, they give us precious links with our beginnings.

This institution has had a chequered history; legislative libraries in Canada seem often to have had troubled careers. Two were burned, one at York in 1813 as a result of invasion, and the other at Montreal in the riots of 1849. As we have been reminded, this building was menaced dangerously by the great fire of 1916, but it was saved, as we have been told, by a prompt decision on the part of one of the staff when he closed the steel doors without a moment's warning, and as several members of parliament were at the time in the library, they found themselves, to their surprise, locked in with the books. All were equally safe.

This library was opened in 1876 by one of my predecessors, Lord Dufferin. In the intervening eighty years its services have been of immeasurable importance, and we owe much to the men who have directed its work. Many of these have not been only the custodians of books, but the lovers of books. Some indeed, by their own effort, have contributed ably to our national literature.

I hope that this day will mark the reinvigoration of a great national institution. To those who have been concerned in its restoration, and to the staff who will again carry on in these precincts their invaluable but onerous work, I offer my warmest congratulations and best wishes.

I now have much pleasure in declaring the library of parliament officially reopened.

HOUSE OF COMMONS

Wednesday, June 20, 1956

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

TUNISIA AND MOROCCO—RECOGNITION BY CANADA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to inform the house that after careful consideration the government came to the conclusion that we should recognize the emergence to independent status of Tunisia and Morocco. I dispatched last night messages of felicitations and good wishes to the prime ministers of these two new independent states. I should like to lay on the table copies of those messages.

Mr. Fleming: May I ask if that indicates that the government contemplates the exchange of diplomatic representatives?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, not at this time. It was merely a recognition of the fact that these two new states have now independent status.

MOTION FOR PAPERS

C.B.C.—T.V. AND RADIO NEWS PROGRAMS

Motion No. 83—**Mr. Reinke:**

For a written copy of all C.B.C. news telecasts and radio news broadcasts, referring to the proceedings in the House of Commons and the Senate, during the period from May 8, 1956 to June 8, 1956.

COMMONWEALTH CONFERENCE

REQUEST FOR MEETING IN OTTAWA LATER THIS YEAR

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister extend an invitation to the other commonwealth prime ministers meeting in London to attend a conference in Ottawa later this year to discuss trade and economic relationships within the commonwealth?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand there is apt to be a discussion of the question as to whether the prime ministers' conference should continue always to be held in London or whether there should be a change made in that respect. No consideration has been given to the calling of a special conference of commonwealth representatives to discuss economic problems. It may be a question that will arise in the course of our discussions and if it does I shall be glad to report to the house when I return.

Mr. Drew: Mr. Speaker, in view of the fact the statement has been made that this conference is not to cover trade and economic questions, may I ask the Prime Minister whether he will raise this question and seek the concurrence of the prime ministers of the other commonwealth countries in a conference to discuss these vitally important questions?

Mr. St. Laurent (Quebec East): The questions are certainly important, but very serious consideration will have to be given to the suggestion made by the Leader of the Opposition.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—INQUIRY AS TO ROUTE BETWEEN MOUNT EISENHOWER AND REVELSTOKE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Public Works. In view of the general public interest in British Columbia in the route to be followed by the trans-Canada highway between Mount Eisenhower and Revelstoke, can the minister inform the house whether he has received word of a final decision in this respect from the minister of highways for British Columbia?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, in a letter dated June 12 the minister of highways of British Columbia submitted a new schedule A which defined that part of the route as proceeding from the west boundary of Yoho park, approximately 17 miles east of Golden, then northwesterly following the Columbia river basin to Beaver river, thence in a southwesterly direction to the east boundary of Glacier national park, thence southwesterly through the said park to the east boundary thereof—that I understand to be the west boundary, but the letter says "east boundary" —thence continuing westerly to the east boundary of Revelstoke park, thence either

through the park or south of the park to Revelstoke. That, I understand, Mr. Speaker, is the Rogers pass.

UNEMPLOYMENT INSURANCE

EXTENSION TO CANADIANS WORKING ON UNITED STATES BASES

On the orders of the day:

Mr. A. M. Fraser (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Labour, of which I have given him notice. In view of a recent item in the St. John's *Daily News* which indicates a possibility of the extension of unemployment insurance coverage to Canadian, including, of course, Newfoundland, workers directly employed by the United States government on the United States bases in Newfoundland, can the minister now give the house any further information on this subject?

Hon. Milton F. Gregg (Minister of Labour): For quite a long time members from Newfoundland have brought to my attention the importance of this matter. That also applies to the hon. member for Comox-Alberni. We have spent a long time trying to get something done about it, and I am glad to be able to report that something has been done, which is as follows: Arrangements have now been concluded with the United States government for the insuring of all Canadian civilian personnel employed in Canada by the United States armed forces commencing July 1, 1956. Under the agreement, the expression "Canadian employees" of the United States armed forces includes all residents of Canada whether or not they are Canadian citizens, provided they are not insured under any unemployment insurance law of the United States in respect of the same employment. We are already in touch with the appropriate officers of the United States armed forces and have supplied them with full information and instructions with regard to registration and payment of contributions.

I should point out, as is indicated in my statement, that this applies to all parts of Canada as well as to Newfoundland and I should like to acknowledge the good cooperation of the department of the Secretary of State for External Affairs in helping to bring this about.

NATIONAL DEFENCE

KAMLOOPS, B.C.—FIRE-FIGHTING PERSONNEL AT ORDNANCE DEPOT

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of National Defence if he can tell me whether it has been decided to discontinue the services of fire-fighting personnel at No. 37 ordnance ammunition depot at Kamloops? If so, can the minister give the assurance that implementation of this decision will be held up so that the whole matter can be reviewed while representations that have been made and the safety of the residents of the area concerned are further considered?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I would like to thank the hon. member for mentioning this matter to me a day or two ago. I have looked into the situation and according to the advice I have received there is a permanent staff of five civilian watchmen at No. 37 ammunition depot at Kamloops. They are all well trained in fire prevention methods as laid down by the Royal Canadian Ordnance Corps regulations. In addition, of course, the navy has a fire-fighting detachment on the other side of Kamloops which is on duty in three shifts 24 hours a day and is therefore always available.

I think probably what the hon. member refers to is that recently there was a fairly large amount of ammunition supplies being transferred to the depot at Rayleigh. A number of civilians were engaged on a temporary basis to assist in this movement and to ensure safe handling. They were classified as watchmen or firefighters. When the transfer was complete they were released. An on the spot survey was made by the army establishment committee who were satisfied that the permanent staff of five civilian watchmen at No. 37 depot is adequate.

Mr. Fulton: I would like to ask the Minister of National Defence a supplementary question. Can the minister tell me whether the magazines of the former No. 37 depot are to be left empty and whether all the ammunition has been transferred to Rayleigh, or am I right in my understanding now that large quantities of ammunition are to remain in storage in the magazines at the former depot? It is on that basis that the information came to me and my question was asked. I understand that the residents of the area are concerned because it appears that the ammunition will be left in storage with a very skeleton, and what is regarded as a most inadequate, fire guard.

Mr. Campney: Well, Mr. Speaker, as I said in answering the first question asked by the hon. member, the situation has already been reviewed. As it is now, it is my understanding that some ammunition will remain in No. 37 depot. It is also my understanding that after reviewing all the circumstances the

establishment committee felt that five trained watchmen in charge of No. 37 depot were adequate.

BUTTER

INQUIRY AS TO SALE TO DISTRIBUTORS IN CANADA

On the orders of the day:

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, yesterday the hon. member for Dufferin-Simcoe asked a question of the Prime Minister. The question is as follows:

. . . I should like to ask the Prime Minister if a large quantity of 1955 surplus butter has been sold to large distributors in Canada at much less than the cost price to the government.

The Prime Minister at that time said a reply would be forthcoming and I would like to make a short statement on this subject.

The agricultural prices support board has followed their usual procedure of replacing part of their butter inventory at May 1 with butter of current make. This has been done annually for several years and although the amount sold is an average amount, it is somewhat larger than that sold last year.

All purchasers of government-owned butter during the past winter were given an opportunity to purchase 1955 butter and over 40 creameries and distributors across Canada did so.

A reduction of 2 cents per pound from the purchase price was necessary to cover costs of making this butter available to the retail trade in consumer-sized packages.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, may I ask the parliamentary assistant to the Minister of Agriculture how many pounds of butter were sold at 2 cents less per pound?

Mr. McCubbin: Mr. Speaker, in the neighbourhood of 25 million pounds.

Mr. Rowe: Will the benefit of the 2 cents per pound less than the original cost price be passed on to the consumer, to say nothing of the storage charges? Have you any assurance of that?

Mr. McCubbin: I hope so.

Mr. Rowe: You hope so but you cannot give any assurance of that.

INQUIRY AS TO REGULATIONS RESPECTING SALE TO DISTRIBUTORS

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, referring to the sale of 25 million pounds of 1955 butter from storage, can the parliamentary assistant say whether there is any requirement upon the retail trade, in selling that butter, to indicate that it is 1955 butter? Is there any difference in quality between 1955 butter and fresh butter?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, there certainly is a difference, as fresh butter is always a little better than butter which has been made for a year. We have followed this policy for several years of changing old butter for new. It costs money to take a 56-pound box of butter and remake it into pound prints, and the cost will be over 58 cents before it is ready to sell to the trade.

Mr. Michener: My question was whether there was any requirement upon the trade to indicate that this butter is 1955 storage butter and not fresh butter?

Mr. McCubbin: I understand there is, yes.

Mr. Michener: Must the packages be marked as such?

Mr. McCubbin: It is rather difficult for me to go into that. I do not wish to enter into a discussion of what are the trade practices of different stores, but there is no doubt that a reputable store is not going to sell fresh butter for older butter.

Some hon. Members: No.

Some hon. Members: Oh, oh.

Mr. Knowles: You had "butter" restate that.

Mr. Michener: I am sure they will do the opposite. Perhaps the parliamentary assistant should take this as notice and let us know tomorrow how it is being sold.

GRAIN

WHEAT—INQUIRY AS TO POSITION WITH RESPECT TO QUOTAS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is the minister now in a position to say what proportion of grain delivery points will be on a 6-bushel quota by the end of this month, which is now only 10 days away? Further, what maximum quota will be in effect during the month of July?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I would want notice of that question. A forecast for 10 days from now is quite a forecast. A move is being made to open up the 8-bushel quota. One railroad is well ahead of the other in grain movement; the Canadian National have

moved a greater proportion of grain from its lines than has the Canadian Pacific. In order to keep both railroads busy and to equalize delivery opportunities some opening up of delivery points is going to be made; that is, points on the Canadian National will be made available to producers on the Canadian Pacific where less favourable delivery opportunities exist. The 8-bushel quota is to be opened up at certain points. Deliveries as a whole are well ahead of last year as of this date. I would assume that by August 1 there will be an average delivery of around 8 bushels but whether all points can be brought up to the 8-bushel quota is questionable.

HEALTH INSURANCE

INQUIRY AS TO PARTICIPATION BY PROVINCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister anything further to report in the matter of replies from the provinces with respect to the federal government's proposals for hospital insurance? Has he heard from any other province than British Columbia, Alberta and Saskatchewan?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member for Vancouver South (Mr. Philpott) asked me a similar question the other day and I indicated the provinces that had already accepted the proposal made by the federal government. I indicated also that I had hopes that the other provinces would be able to give an expression of their views as quickly as possible. I am glad my hon. friend shares the view of the government that there should be no unnecessary delay in this matter.

Mr. Knowles: But you have been delaying for 37 years.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, in view of what the Minister of National Health and Welfare has just said, that three provinces have accepted the proposals, may I point out that in answering a similar question two days ago he said that they had accepted in principle. Are we to infer from that that there has been some further communication?

Mr. Martin: No, there has been no further communication and there is no need for my explaining what I said because the three provinces in question have accepted the proposal put forward by the federal government for a scheme of hospital insurance in Canada.

Mr. Fleming: In full detail? Is that the meaning of what the minister said?

Mr. Martin: If there is anything my hon. friend can do to hasten action by the other provinces I hope he will do it.

Mr. Fleming: What does "acceptance in principle" mean?

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

235. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $143,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,470,423,461 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,675,484,744 will come due for payment in future years), $1,722,797,717.

Hon. R. O. Campney (Minister of National Defence): In this committee each year it is our serious responsibility to concern ourselves with the proper level and disposition of Canada's defence program, but before proceeding with that task this afternoon I feel we might pause a few moments to remember that our defence depends in the final analysis on the Canadian serviceman individually and on his resolution and courage. In this one-hundredth year since the Victoria Cross was instituted, I know that the thoughts of Canadians everywhere will be with the holders of the coveted decoration and their immediate relatives as they now journey from Canada to England to take part in the centennial celebrations.

We are proud that two distinguished members of this house, the Minister of Labour (Mr. Gregg) and the hon. member for Esquimalt-Saanich (Mr. Pearkes), are numbered among this valiant company. They leave, I believe, tomorrow morning for England to attend the Victoria Cross centenary, and I am sure that every member of this committee will join me in wishing godspeed to them and to all other Canadian holders of the Victoria Cross who are journeying to England upon this important occasion.

A year ago, when I opened my remarks on the defence estimates, I did so by referring to the profound effect that nuclear weapons and

fast, far-ranging jet bombers to carry them were having on all our thinking about defence. This, again, must be my opening thought today.

It is now 11 years since the first atomic explosion marked a new departure in warfare—more startling perhaps than any other since gunpowder first came into use some 700 years ago. And then, almost before we could begin fully to comprehend the terrifying possibilities of atomic weapons, the H-bomb added a vastly more far-reaching formidable dimension of terror and destruction —so comprehensive indeed that we cannot yet begin to assess its full magnitude.

No simple, clear-cut, complete answer to the defence problem thus poised has yet been found; and, frankly, as far as I can see, none is yet in sight. Is it any wonder, then, that throughout the free world there is dispute and controversy as to how this problem can be resolved? Is it any wonder that protagonists of this view or that, of this service or that service, of this defence element or that defence element, are so eagerly and at times vociferously projecting their particular views on a confused and worried public?

This active preoccupation with finding answers to the new weapons may ultimately bring us to the point where defence catches up with the offensive, which is now so far out in front in the race. I suppose that, if this balance is redressed, as it has been from time to time over the years in the past, war must then become an even less attractive adventure to aggressively-minded nations than it is today.

No nation ever wants to risk defeat; and that revulsion is made so much the stronger by awareness of how terrible defeat in thermonuclear war could be. And yet the threat of war continues. As long as this is true, our best hope is, undoubtedly, in the maintenance of a strong compelling deterrent. Primarily, of course, this deterrent at present is based on the strategic air force of the United States, now being augmented by that of Great Britain. But, to be effective, such strategic air forces must be supplemented by warning lines to enable their retaliatory planes to get off the ground immediately an attack is launched on the free world anywhere. They must also be supplemented by fighter air power to blunt the edge of the thermonuclear attack. They must also be again supplemented by well trained, efficient ground forces to form a shield to prevent Europe being suddenly overrun by ground forces of an aggressor. All these factors are just as much part of the deterrent as the thermonuclear retaliatory forces themselves.

To maintain the deterrent power of the free nations will not be an easy task, essential though it is to our survival. Paradoxically, as the existence of the deterrent continues to protect the peace, the continuance of that peace itself may tend to soften up the very deterrent force on which it depends, for it tends to give credibility to smiling assurances and friendly, folksy visits, all propagating the view that the day of world brotherhood has dawned at last, and suggesting that we can now safely set aside our defence programs, with their heavy costs, and concentrate on the much more pleasant task of raising our material standard of life.

To thus relax our defence effort might be an inviting policy for the free nations, but it would be a very dangerous policy. We would be foolish indeed to neglect those defensive measures that have created the deterrent that has so far kept us all safe from a major war. Rather, we should, I think, make sure that those defensive measures are kept bright and strong.

Our opponents have a very keen understanding and appreciation of the importance of strength. This we have reason to know. They also have perhaps a better understanding than we of the subtle, insinuating effects of persuasive propaganda. If we must sup with the Kremlin, we should always be careful to use a very long spoon.

Today I should like briefly to touch on a few of the more notable ways in which Canada is building and maintaining a defence effort that is really out of all proportion to our status as a middle power. Hon. members have in their hands the white paper in which Canada's defence program is spelled out in greater detail than I could hope to do in the time at my disposal today. My main purpose today, therefore, is to supplement what is in the white paper by drawing attention to some of its highlights, and by telling hon. members something of the changes taking place in our own defence system. In the discussions to follow, hon. members' questions will, I hope, enable me to give a more complete picture of that program, and their suggestions will as always, I can assure them, receive not only my own consideration but that of my service advisers.

Change has been operative in many fields of defence activity in Canada, but particularly so in our air defence arrangements. Arising from continuing reassessment of Canada's part in the joint United States-Canada air defence program, I can today

announce two major developments: the reorganization of our auxiliary air force and an increase in the number of our regular interceptor squadrons.

Last year I drew the attention of hon. members to the studies being undertaken by the Royal Canadian Air Force to determine whether it was practicable to expect the part time air crew of the Royal Canadian Air Force auxiliary, however skilled and devoted, to operate all-weather jet interceptors of the complexity of the CF-100 in the role of air defence. This important question, in relation to the over-all problem of air defence generally, has continued to receive thorough reassessment by the Royal Canadian Air Force in the light of the thermonuclear air threat to this country.

This threat is such that defending forces must be able to operate in all conditions of weather by day or by night, must be on immediate alert status, and be trained to a very high standard of proficiency; and must, in peacetime, be deployed at their war stations. Our experience now forces us to the conclusion that these conditions are far too exacting to impose on auxiliary forces who are engaged on their civilian duties throughout the week and whose flying therefore is limited mainly to week ends. Consequently, the ten auxiliary squadrons that were to have been re-equipped with CF-100 all-weather fighters will no longer comprise part of the first line forces in the North American air defence system.

Other highly important duties will be assigned to these auxiliary squadrons, the personnel of which have constituted such a useful and active reserve force to the Royal Canadian Air Force. Six of these squadrons will be re-equipped with Sabre day fighter aircraft and T-33 jet trainers, and their personnel will progress from the T-33 to mastery of the Sabre jet. These six squadrons will continue to operate in pairs on the established Royal Canadian Air Force bases at Montreal, Toronto and Vancouver, and will constitute an effective and economical means of providing a reserve of fighter air crew, ground crew and aircraft, at a minimum of overhead cost.

The squadron at Calgary will become a light transport auxiliary squadron, while the flying squadron at Winnipeg, backed by facilities of the regular force navigation school located there, will undertake the task of providing a reserve of trained air navigators. The auxiliary squadron at London will become an aircraft control and warning squadron and thus provide an important augmentation to the trained reserve manpower required for the air defence control system. Finally, at Hamilton, already the home of a very good aircraft control and warning squadron as well as other auxiliary air force units, the auxiliary flying squadron will not be continued, and personnel will be able to concentrate on these other important auxiliary roles. This decision, made with some reluctance, has been influenced by the fact that to support this flying squadron a costly air force base has had to be maintained.

The conditions that have brought about the withdrawal of these auxiliary flying squadrons from the first line air defence force necessitates increases in the regular force units assigned to this role in Canada. Accordingly, I can now announce that steps will be taken to establish, over a period of time, three new all-weather interceptor squadrons equipped with CF-100 aircraft. This increase, with the 12 squadrons in Europe, will bring to 24 the number of regular force fighter squadrons. The size and composition of Canada's contribution to the continental air defence system continues, of course, to be under review.

Towards the end of this year we will replace one of our Sabre squadrons in Europe with a squadron equipped with CF-100 all-weather interceptor aircraft. And at intervals thereafter, during 1957, three more Sabre squadrons will be thus replaced. This will fulfil our undertaking to NATO to provide four squadrons of all-weather interceptors. Throughout, our commitment in Europe remains at 12 squadrons.

As for new equipment, the air force, working in conjunction with the defence research board, is making good progress with its new supersonic delta wing all-weather fighter interceptor, the CF-105, being developed by A. V. Roe, Limited which, with the very advanced and powerful PS-13 engine being designed for it, is expected to constitute a very fast and formidable fighting plane.

The development and preproduction work at Canadair Limited on the CL-28, the new maritime anti-submarine aircraft developed from the Britannia aircraft, is also proceeding very well, and the prototype is expected to fly next spring. By the production of successively improved marks, both the Sabre and the CF-100 are still, and will continue for some time to be, of their sort and for their purpose, first class and effective fighter planes.

The job of the Royal Canadian Air Force is certainly now a widely diversified one, including the interception of enemy bombers, the transport of troops and supplies, the support of anti-submarine activities and defence of shipping operations. Worthy, I think, of

special note is the fine work of the Royal Canadian Air Force air-sea rescue organization which, with the assistance of the navy and the public spirited co-operation of civilian aircraft, ship operators and others, has added another very successful year to its proud record of life saving.

The Royal Canadian Air Force is also responsible for the building of the mid-Canada line, one of the greatest construction projects ever undertaken in Canada and one that, apart altogether from its defence implications, is dramatically contributing to the opening of the great Canadian north.

The mid-Canada line and the D.E.W. line, as the committee know, will form part of a warning system anchored on the "Pinetree" stations already in operation, all linked together by a vast complex of communications. The "Pinetree" system itself is being strengthened by additional stations. On both the D.E.W. line, being built largely by Canadian contractors working for the United States air force, and the mid-Canada line, being built by Canada, admirable progress is being made. These are projects of great difficulty and magnitude—costly, but we believe worth the cost. For they will buy us time—time to get the big United States deterrent force of bombers with their nuclear weapons winging away on their missions should the need arise, time to get our defences activated, time to prepare our people for impending attack.

Another purpose of this system is to alert our sister NATO nations if the Canadian north should be chosen as the first point of any attack. It is hoped that in the near future the early warning system of North America will be linked with an early warning system in Europe, to which NATO is giving high priority, thus forming an integrated comprehensive early warning system covering the whole of the NATO area. These warning lines cannot—I want to be very frank about this—buy us absolute protection. Their searching beams are not steel barriers. In a determined attack some enemy planes would run the gamut of the defending fighters and many lives would undoubtedly be lost. But these lines will nevertheless contribute very materially to NATO air defence plans generally and to Canada—United States effectiveness in particular. In defence terms any enemy invasion of our northland is of immediate concern to every Canadian, but—and this we should not forget—I think it is of equal concern to the citizens of the United States. Realistic policy for continental air defence requires the closest co-operation between our two countries.

Let me assure the committee, there is the closest co-operation. Our defence plans are closely integrated. Our relationship is a friendly one, founded on mutual respect and full understanding of each other's particular rights and interests, and dedicated to the defence of our common continental home against present, indisputable and continuing grave dangers.

Both of the new northern lines are rapidly approaching completion. The United States is now recruiting civilian technicians, for the most part Canadians incidentally, to assist in manning the D.E.W. line for the initial period. Recruiting and training of civilian technicians will shortly begin to assist the Royal Canadian Air Force service men, already trained, in manning the mid-Canada line.

May I turn now to the Canadian army. I can advise the committee that the note of change that is evident in air force plans applies with equal force to the army. Indeed, for all the services, the changing shape of our defence problem requires constant re-examination of our defence plans and organizations.

For many months a number of the most senior officers in the Canadian army have been examining the organization of field formations that would best meet Canada's needs in the light of our commitments, both present and possible, and under conditions of either so-called conventional or nuclear warfare.

The army has also been closely following recent reviews of army organization in the United States, the United Kingdom, France and other countries which are intended to take account of new weapons and conditions of war, and the army has had observers at large-scale NATO divisional tests in Europe.

It is generally accepted that, in the use of ground forces, we must work toward a greater degree of flexibility and increased mobility. In particular, practical assessments are being made by the Royal Canadian Air Force and the Canadian army of those types of aircraft that would be most suitable for rapid deployment, supply, and support of Canada's ground forces.

As the committee knows, Canada for some time has had a mobile striking force of three battalions of infantry with supporting arms and services, largely trained as parachutists and transportable in C-119 aircraft, known as flying box cars. The established role of this force has been to deal with possible small diversionary raids in the Canadian north.

Experience gained in exercises indicates that parachuting in the Canadian north is not an entirely satisfactory way of getting troops on the ground. Accordingly, we are giving more attention to the development of

new types of aircraft with short take-off and landing capabilities, with a view to reducing the parachute element of the mobile striking force and at the same time increasing its air-portable capacity.

This subject is still under intensive study, but it is possible that Canada's field force may be organized and trained so that any part of it may be assigned to the role which is now exclusive to the mobile striking force. In other words, the long-term aim will be to train and equip the army more and more as an air-portable force with parachute elements continued in some units.

This significant new development, which is incidentally in line with views expressed by some hon. members last year in the discussion of our estimates, is a subject of such import and involves so many subsidiary problems that the present chief of the general staff is giving—as his predecessor had done—personal direction to a careful study of the problem and all its ramifications. However—and I want to be quite frank about this—I do not want to give rise to anticipations that are impossible of fulfilment. The problems attendant on large-scale air transport and air support of army units are very great indeed.

For example, if aircraft such as the C-119 were used, apart altogether from the cost of ground facilities and air crew, but allowing for reserve aircraft, it would require 148 planes, at a cost of about $150 million, to provide a one-up lift for an army brigade without its heavy equipment.

Some hon. members may recall what General Twining, chief of the United States air forces, told the senate armed forces committee a few months ago, that, with aircraft diverted from the military air transport services, the United States air force could manage to lift one airborne division, but without its heavy equipment.

It may also have been noted that in the United Kingdom the air ministry has agreed to provide air support for the army for one specially selected and trained infantry brigade, which would be immediately ready to move to any part of the world, again without heavy equipment. So it will be seen that even in respect of armies larger than ours haste is being made cautiously and slowly.

Here in Canada we have not so far attempted to provide air transport on any one lift for more than a portion of the mobile striking force, and then only within our own country. This force has provided a good background of experience on which we can now go forward, applying lessons learned to air transport for the army generally. Certainly, the task of designing and developing equipment suitable for air-portability is a long-term program. It requires and is getting joint consideration by our army and our air force planning groups.

For some time some hon. members have urged that increased attention be given to armour in the Canadian army. As I pointed out last year, in matters of army organization there are many factors to consider—not the least of them the emerging patterns of allied armies so that we keep in phase with them—that long and careful study must precede any change.

However, I am glad to be able now to announce to the committee that it is intended to form or activate a third armoured regiment. This, with the two regular armoured regiments now in being, will enable us to field the first Canadian infantry division with three brigade groups, each consisting of three battalions of infantry, one regiment of artillery, and one regiment of armour, with signals, engineers, and other supporting services. This conforms with the new type British infantry division and will make for flexibility of movement and provide a division, the components of which will be capable, on occasion, of independent action.

Another important new development on which the army is working is an armoured amphibious 9-ton tracked carrier. This will be an all-purpose tracked chassis adaptable to mounting field guns as well as lighter weapons, and also capable of moving 10 or 12 men across rough terrain at 20 or 30 miles an hour. It will be resistant to small arms fire and splinter, and suitable in design and weight for air transport. Interest in the development of this most useful type of multiple-purpose vehicle is being shown by our NATO allies.

In addition to the carrier, development on over-snow vehicles and Arctic clothing, and the testing and modification of vehicles and equipment for use in severe cold weather conditions, has been carried on at Fort Churchill with very considerable success.

The FN rifle, which takes the standard NATO round of ammunition, has been modified for Canadian use as a result of Canadian troop trials. The new rifle will be known as the FN-C1. Initial deliveries of this rifle from Canadian Arsenals plants are expected this year and will gradually replace the Lee Enfield ·303 now in use.

The program for replacement of second world war types of wheeled vehicles by modern and standardized military pattern types has been largely completed. It may be useful to remind hon. members that the wartime Sherman tank has been replaced by the Centurion; the 2-inch mortar has been

replaced by the 60-millimetre; the 3-inch mortar has been replaced by the 81-millimetre; the 25-pounder field gun has been replaced by the 105-millimetre howitzer; and the 5·5 medium gun by the 155-millimetre gun and gun howitzer.

Personnel of the army have been trained and are continuing to take courses on rockets and guided missiles and, although we are withholding expenditures on acquiring these types of weapons until development and trials have been carried further—and I say that advisedly—we are keeping in close touch with the method of handling, the tactical use, and the employment of weapons in this field.

Indicative of armed forces' interest in the new conditions of war, the army's radiation detection unit, with navy and air force participation, has been in operation for several years. Over the past year, this unit has taken part in exercises, both in the United States and in the United Kingdom, where practical experience has been gained in detecting, marking and decontaminating areas where atomic explosions have taken place. The work of this unit will greatly enhance the ability of the Canadian armed forces to operate under conditions of nuclear warfare.

The changing emphasis in defence planning necessitated by the advent of nuclear war lays a heavy responsibility on all the armed forces, and in particular the regular army and the militia, to back up the civil defence organization in the early days of a thermonuclear war with all military forces not urgently required for their priority military roles.

To this end, a greater understanding of civil defence and civilian disaster techniques is being developed throughout the regular and reserve forces, working in even closer co-operation with the civil defence authorities.

Turning next to the Royal Canadian Navy, there is less by way of change to report this year since the navy has so recently reviewed its place in modern war, with sweeping changes in ship design, equipment and tactics. But there is every evidence that this arm of our forces will continue to have an important place in our defence planning.

We are all well aware of the tremendous size, modern design, and readiness of the Russian submarine fleet, which could be used not only to destroy shipping but also perhaps to make long-range missile attacks, using nuclear weapons, on the coastal areas of this continent. Remembering, of course, that the submarine is primarily an offensive weapon, we are continuing to improve as rapidly as possible the anti-submarine capabilities of our fleet. To this end, we can look forward this year to the addition of about nine new operational ships to the fleet, and several supporting craft as well.

The most noteworthy of the additions to the fleet will be the commissioning of H.M.C.S. *Bonaventure,* a light fleet aircraft carrier of the latest design, which will replace H.M.C.S. *Magnificent.* The *Bonaventure* will be armed with the Banshee jet-fighter aircraft, which have begun to come forward, and the Canadian-made CS-2F anti-submarine aircraft. These fine modern aircraft will replace the Sea Furies and Avengers formerly in the naval service.

Other additions to the fleet will be three and possibly four destroyer escorts of the *St. Laurent* class, specially designed to meet the conditions of nuclear war. You will recall that the first of these ships, H.M.C.S. *St. Laurent,* was commissioned last autumn. Earlier this year she went down to the United States and carried out successfully a very comprehensive series of performance trials and exercises. I am pleased to say I have seen fine reports on this.

Subsequently, the *St. Laurent* visited the United Kingdom for the same purpose, and during this visit participated in escorting Her Majesty the Queen on her visit to Sweden. This Canadian destroyer-escort is probably the finest and most modern anti-submarine vessel in the world today.

In summary, I would emphasize that we are vigorously pursuing our policy of enhancing the anti-submarine capabilities of the Canadian navy, which is its specialized NATO role.

As I have said, Canada's defence program throughout is a changing one as each service, realistically facing up to the changed conditions of war re-evaluates its organization, training and weapons systems. This process of re-evaluation centres, of course, on the research and development program of the defence research board and of the three services. This program is designed to bring to bear on Canada's defence arrangements the latest thinking of our allies, the best intelligence of what potential enemies are doing, and the results of our own research.

Of necessity, I cannot give much detail with respect to this matter, as hon. members will I am sure realize, except to say that without duplicating what is being done elsewhere Canadian defence scientists are keeping abreast of new developments in such vital fields as guided missiles, plane and jet engine design, nuclear explosions, fall-out and anti-submarine measures.

I have noted the valuable work being done by the board on the CF-105 for the air force.

Also notable is the development by the board in Canada of an air-to-air missile know-how and handling capability.

These guided missiles, as I am sure every one realizes, are very complex devices which require a variety of special skills and techniques in a number of engineering and production fields. These did not exist in Canada up to five years ago when the missile program began. There are now, however, some hundreds of trained experts available so that Canada is in a position to carry out a selected guided missile through any or all its stages from development to production.

The pioneer work was done on the "Velvet Glove", which so far has fully come up to its original specifications. However, because a somewhat similar United States missile is of more advanced design, it has been decided not to adopt "Velvet Glove" for operational use, but to modify the "Velvet Glove" program and go into production of one of the Sparrow series for use with the CF-100 and the CF-105.

In the anti-submarine field, the board is completing the final stages of development of new submarine detection equipment for naval destroyer escorts, which will greatly increase their effectiveness. Research into other promising anti-submarine devices is also under way.

From time to time we hear suggestions that we should not push ahead with some part of our defence program but should wait a few years for something better.

In our long-term defence planning there always has to be some reasonable balance between waiting for the ideal and getting a weapon with which to fight, if called upon, immediately. World war II would possibly have been lost by the allies if the United Kingdom had waited for the jet plane and not made shift, magnificently, with Hurricanes and Spitfires. Canada must not be left undefended while waiting for weapons that might not be available for ten years.

Within the limits set by considerations of cost and time, there will always be a healthy tug-of-war between the enthusiastic designer, who looks far ahead, the practical military man who needs his weapons now and not tomorrow and the financial official who must provide the money for both. And there is, of course, no finality in matters of this kind. We must therefore proceed with imagination, but with a sense of practicability dictated by the state of world affairs and our own financial capacity.

May I now say a word or two concerning what Canada has done to support her NATO allies.

[Mr. Campney.]

The Chairman: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Drew: It is agreed there is no time limit.

The Chairman: Has the hon. minister unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Campney: Thank you. I might here announce that after training more than 3,800 aircrew, at a cost of $328 million to date, Canada's NATO air training program is being reviewed and probably will be adjusted downward starting in 1958.

The original plan was to provide trained pilots and navigators to build up the front-line strength of aircrew in the NATO countries. This has now been achieved and the training of aircrew for replacement purposes can now be taken over by most of the NATO nations themselves.

Besides what has been done to train NATO aircrew under Canada's mutual aid program, this program since its inception in 1950 has done much to strengthen the defences of our allies in Europe. As their own capability increases, our program of aid is being scaled downward. More and more the equipment we are supplying is from current production rather than from existing stock.

The value of mutual aid to our NATO partners now totals more than $1,274 million. This includes, as an example, the provision of more than 600 modern fighter planes and more than 1,000 aircraft engines.

I should like now, returning to the Canadian scene, to say something about manpower in which, as in some other fields of military action, Canada's role, within limits imposed by our size and productivity, has been a pioneering one; pioneering, that is, in the emphasis placed on having highly trained professional services. Until recent years, we have never in our history had standing forces in peace time in anything like the numbers we have today.

While we must always have regard to the need, we must never lose sight of what this country can afford. A balanced program in the three services and the defence research board now costs us about one and three-quarter billions of dollars a year. Few countries spend a higher percentage of their national income on defence.

In any event it is not the size or the cost of our defence forces that is the main requirement. It is the quality. I should like here to pay tribute to the evident quality of our services, of their equipment, of their morale, and to the calibre of young Canadians who are coming to us to be moulded and trained.

We should not lose sight, either, of the important and often neglected part played by 55,000 civilian men and women in the defence effort—the civilians who perform essential tasks in support of their uniformed co-members of the defence department. In the dockyards, in the magazines, in the repair depots, in the supply depots—in many varied and yet important tasks—as well as in their more routine administrative and office duties, they are doing their best to strengthen Canada's defence. They are in a very real sense part of Canada's defence force.

They are, I must say in all honesty, sometimes ignored by critics in assessments of Canada's defence effort, although they are, I am sure we all realize, essential to its success. And, incidentally, because they have no need for military training and do not qualify for military benefits, they can do many jobs just as well but at less cost than men or women in uniform.

If in our defence program we have achieved some successes—and these are evident to military experts who have seen our men in action in Korea or who admire their competence in NATO's war exercises—it is because of our emphasis on quality, on education, on training. It is because Canadian industry has brought ingenuity and tremendous competence to the job of making the guns and ships and planes we have asked of it. But it is, I am confident, above all because of our professional approach to our service responsibilities.

It was, I believe, Clemenceau who said that war was too serious a matter to be left to the generals. The fact is, today, that it is far too complex and too technical a matter to be left to the amateurs—only professionally trained and experienced servicemen can cope quickly with the weapons and tactics of modern war.

To meet our commitments, both in creating the deterrent and in being able to react immediately if the deterrent fails, we must provide forces in being, completely trained, equipped and immediately ready.

That is why Canada today has nearly 15 times as many forces in being as in March, 1939, while the number of our reserves has not changed substantially. In other words, our forces in being, which numbered 8,000 before world war II, now total 116,350; our reserves, at 55,000, are 1,000 more than in 1939.

I might remind the committee that NATO places great emphasis on forces in being. This has been asserted again and again by NATO leaders.

In 1939 we were quite unready for war. Today we have in full fighting trim an army brigade and an air division in Europe and at home a mobile striking force and three infantry brigade groups in the army; an effective air defence system and other supporting units with more than 3,000 planes in the air force; and a navy with 40 fighting ships at sea and a still greater number under construction or conversion or in reserve.

Our services are well trained, well equipped, well disciplined. In character, in training and in resolution we have I believe as high a quality of serviceman as any country in the world.

As more and more the requirements of modern war tend to become interrelated, the Department of National Defence, through the co-ordinating efforts of the chairman, chiefs of staff and the joint staff organization, has brought the three services into ever closer working relationship. More than 900 officer cadets are in training at our three tri-service colleges.

It is certain that this trend towards a more unified approach to the defence problem must continue if all the services are to make their maximum contribution to the defence effort and most efficiently manage the defence systems that they are best fitted for. As we move into the use of guided missiles it is more important than ever to have the navy, army and air force in close co-operation, agreeing on their particular fields of endeavour.

As I have said, Canada on occasion pioneers in defence planning, as, for example, in manpower policy. The United Kingdom "Statement of Defence 1956" has these words:

> For the highly technical armed forces of the future, we require a substantial proportion of men of long service and experience.

General Maxwell D. Taylor, chief of staff of the United States army, in an interview a few months ago, also emphasized the need for a professional army when he said:

> I much prefer a good army, an army in which I'm sure of every officer and man, to a bigger one of less reliability.

The U.S.S.R., by shifting emphasis from quantity to quality, also seems to be working towards more streamlined and professional forces.

For some time now Canada's armed forces, I believe, have had a higher percentage of fully trained personnel than those of most other countries. In recent years, without undue difficulty, and without lowering our selectively high standards of recruiting, we have been able to maintain our forces at about planned size, and we have been able to persuade a relatively high percentage of our recruits to make the services their career—a most important factor in the build-up of first class regular forces.

I would not want my references to forces in being to suggest there is not an important and valuable role for the reserve forces to play. Hon. members of this committee are well aware of the value attached to service in the reserve forces—in the naval reserve, the army militia and the air force auxiliary.

It is an inspiring evidence of good citizenship that 55,000 Canadians keep abreast of military affairs by membership in the reserve forces of the three services and a quarter of a million more serve in the ground observer corps, in civil defence or as cadets.

All of these perform a significant part in providing security for Canada. All can begin to make their contribution felt within a few hours or days should war break out—a contribution that, because of their training and experience, can increase rapidly in the time following the first impact of war.

I might refer first to the militia and to the fresh start it has made since the reorganization of two years ago. Last year I said it was too early to weigh the success of the "new look" in the militia. At the present time it is abundantly evident that the militia, under its new dispensation, is operating at new levels of efficiency and of interest.

Best evidence of this is seen in the figures of attendance at summer camp. In 1954 the camp attendance of officers and men was 16,593. Last year it was 20,568—a record high. This year it is anticipated that almost 23,000 will participate—another record high.

The militia today is better trained and better equipped than ever before in the history of Canada. The armoured units now have Sherman tanks but these in due course will be replaced by a sufficient number of tanks of later design to support their training requirements. In the artillery, the 25-pounders are being replaced with 105-mm howitzers, as used by the regular force. Similarly, it is intended to replace the weapons and equipment of the other corps of the militia with the latest types as they become available but, of course, the equipping of the regular army must take priority.

I should like to reiterate that the militia is an important part of our defence organization and deserves the wholehearted support of every citizen. Now, in addition to training in their customary roles, the militia has been given the responsibility for training in civil defence work and a close liaison is being built up between regular army, militia and local civil defence authorities.

With regard to the other services, this summer the naval reserve also has a full training program, in which the emphasis will be on training aboard ships of the regular force on the east and west coasts or smaller craft on lake Ontario operated from the headquarters of the Royal Canadian Navy (Reserve) at Hamilton, Ontario. I have already spoken about the Royal Canadian Air Force Auxiliary, which will go on with its usual training programs, except for those squadrons that will begin their change-over to new and challenging roles.

In the difficult time since world war II, it has not been easy for the free nations to keep their freedoms intact. It has not been by chance, certainly, that this has been achieved. It has, indeed, been only because of the resolute determination of the free peoples working together toward a common end. As a partner in two great organizations looking to the maintenance of peace, the United Nations and the North Atlantic Treaty Organization, Canada has given abundant proof of her sincere desire to avoid war and of her active concern for the correction of conditions which might lead to war.

Despite its failure to measure up to the first high ideals it set itself, the United Nations has still helped to prevent and, at the least, to limit war. There is the historic example of Korea, where, incidentally, a small group of Canadians still serve on, the rear guard of that valiant force that fought, successfully, in the Korean war. Canadian officers also, under United Nations auspices, are today serving the cause of peace in Indo-China, in Kashmir and in Israel.

The North Atlantic Treaty Organization is founded on the truth that in union there is strength. In Canada we subscribe to that truth. In stationing Canadian servicemen in France and Germany, in training aircrew from nine NATO countries here in Canada, and in welcoming United States troops to stand beside our own in defence of our common continental home, we give evidence of our conviction that, in the NATO family, a "stay at home" policy and a "visiting forces not wanted" policy have no place and, indeed, if given effect to, could endanger us all.

The great defensive system that we have built in NATO with so much labour must not be allowed to fall into disrepair. Honest assessment of the world situation tells us that we cannot safely rest on what we have done. We must go on working together for the common good with undiminished zeal and equal determination.

Despite our considerable defence expenditures, and despite our best defence endeavours, there can be, for Canadians, no such thing as absolute safety. That must be sought, not by standing alone in our defence preparations, but in the collective strength and evident capacity of the free nations to

survive attack and to strike back with desperate, devastating force. For, paradoxically, it is in the awareness and abhorrence of nuclear war that we must probably look for our best defence against its breaking out. As Sir Winston Churchill said last year, if I might repeat his oft-quoted words in that connection:

> It may well be that we shall, by a process of sublime irony, have reached a stage in this story where safety will be the sturdy child of terror, and survival the twin brother of annihilation.

The story of civilization is spelled out in the painful, plodding accumulation of knowledge and understanding. In time it will, we trust, be evident to everyone that, in this nuclear age, world war has become too hot to handle. For in such war there could be no victory—victor and vanquished would alike be levelled in the radioactive dust.

Surely no one could look forward, with equanimity, to year after year of uneasy expectation of that dread day when the first H-bombs might fall. However futile our best attempts may have proved so far, we must keep on trying for disarmament. And we must come to grips with some of those central problems that have led to war: ignorance and hate, disease, privation and poverty.

For it is clearly evident—and it is on this note, and not a defence statistic, that I want to end my opening remarks to this committee—it is clearly evident that, for us and for the generations that will follow us into the wonders and hazards of this thermonuclear age, there must be some surer guarantee of peace, some less uncertain protection against disaster, than military might can hope to provide.

Man's inventive genius, which has sought out and set free the power of the atom, can surely make it serve and not destroy us.

Mr. Pearkes: Mr. Chairman, first of all may I be privileged to thank the minister for his very kind reference to myself and the Minister of Labour, who are having the opportunity to attend the centenary celebrations to be held next week in London. On behalf of all the holders of the Victoria Cross, I am quite certain that they all appreciate the facilities which the government has made available to enable them to travel to the United Kingdom.

Regarding the remarks that have been made by the minister this afternoon and the white paper that was issued to members of this house last Monday, after studying the white paper during the last few days I certainly gained the impression that it had been prepared a good many months ago. Possibly it had been drawn up as the original draft of the report of the Department of National Defence for the fiscal year ending in 1956. From the remarks made by the minister this afternoon it is quite obvious that large sections of that white paper were out of date before it was printed, because the minister has told us of several important developments which have not been included in the white paper and hardly even forecast.

I cannot help recalling the fact that year after year the members of this party have supported the government in its endeavours to create an adequate defence force for this country. If we have supported the general policy, we have of course pointed out the way in which that policy should be further developed. It is interesting to note that in this afternoon's remarks the minister has obviously taken heed of what members of the opposition have told him in the past and is making some halting steps in the direction that we have suggested.

It was several years ago when we urged that more attention should be devoted to the continental defence of this country, and repeatedly we have urged the modernization of the Canadian army and the provision of adequate transport for the forces that are in being. I remember urging very strongly about four years ago that the forces of our Canadian army must be forces in being and that they must be readily transportable by air, if not actually airborne.

The white paper hardly reflects the changes which have taken place in the world situation. I think it might be well to refresh members' minds with some of the statements that have been made recently indicating the changes which are now taking place. I should like to call attention to the words of General Gruenther published in the last NATO letter we received dated May 1. After referring to the state of the NATO defences when he first took over command a year ago, he went on to say:

> . . . we now have a strong superiority in long-range offensive air power, in the form of the American B-47 plane, and also because of the V-bombers which are now being produced in the United Kingdom. At this stage in the technological development of defence against offensive aircraft, the offence has a tremendous advantage over the defence. In other words, the B-47 airplane and the V-bombers can fly so fast and so high that there is, as of now, no defensive answer to this type of attack. This means that if certain parts of Europe should be overrun our retaliatory attacks would ensure the defeat of the Soviet bloc.

Following along the same line, the British white paper on defence published this year refers to the increased power of the deterrent and says that the nuclear weapon and the means of delivering it have made global war more frightening and less likely. Again, when the Secretary of State for External Affairs

reported to the external affairs committee a few months ago on his experiences in Russia and the changed opinion of the Russian statesmen he had this to say:

> . . . and this is a conclusion that can be drawn from the communist congress, to reinforce the conclusion we have already drawn from the Geneva meetings—the implications of thermonuclear warfare are now recognized by the Soviet leaders. And as a consequence the inevitability of war between the communist and the non-communist world is rejected because of the supposed deterrent effect of Soviet thermonuclear warfare capabilities and Soviet economic strength.

Then he goes on to say this with respect to Russia:

> In a sense they have turned against us our own doctrine of atomic deterrents. However, while they reject the inevitability of war, and insist on the desirability of coexistence between states of different social systems, they are quite emphatic in stating that there can be no coexistence between ideologies.

That would really indicate that it would seem that both the west and the east are of the opinion that at the present time the chances of a third world war breaking out are more remote than they have been and that both sides are counting upon massive retaliation if either side starts a war. Thus I think we can say that it is hoped that if both sides have and are known to have the power of instant and overwhelming retaliation this may be the means of preventing a war until some more satisfactory solution can be found and, of course, naturally every country in the world hopes for the discovery of some more satisfactory solution.

It must be in the light of that that we must examine the statements made in the white paper and the statements made this afternoon by the Minister of National Defence. In the white paper the minister, and he repeated the statement again today, declares that Canada's armed forces are now more effective than ever before in our peacetime history. In that respect I feel I must call the minister's attention to the fact that never before in Canada's peacetime history has the government of Canada spent over a period of years $2 billion each year for those forces. Never before in the peacetime history of Canada has there been anything like 100,000 men in the regular services. Never before in Canada's history has a foreign country, whether or not an ally, stationed troops here in Canada and also spent millions of dollars on Canadian and American defences. So there is every reason to demand that our Canadian forces should be more efficient today than they have been in the past.

But we must not judge that efficiency by the standard of efficiency which was required 10, 20 or 40 years ago. The standard of efficiency has got to be tested by the role that these forces will have to carry out. Putting it very briefly, it would seem to me that there are four roles that the Canadian forces are required to carry out. The first one is to join with the other powers in providing this known deterrent so that it will act as a preventive against the possibility of war breaking out. That seems to me to be by far the most important role of the Canadian forces. We have got to join with the other powers. We have got to make it very clear to any would-be enemy that it is not worth that would-be enemy's time to consider the possibility of launching a war.

I come to the second role. Because it is not possible at the present time for east and west to live in a period of coexistence and because there is still a clash of ideals between their policies and ours, a cold war exists, and that cold war is the immediate problem facing the countries of the west at the present time. The minister indicated this afternoon that we have a few officers here and there scattered throughout the world, but our Canadian forces can and should carry out a definite part in that cold war.

I am rather surprised, in view of the immediate importance of our part in the cold war, that there will be a reduction in the mutual aid, as the minister mentioned this afternoon, of some $34 million, and also a reduction in the air crew training scheme. These are two means by which the armed forces at least can help in this cold war which must carry on for a good many months to come.

Third, the forces must be capable of playing their part in what is sometimes referred to as bush fire wars, wars of limited scope which may break out anywhere in the world and in which Canadian forces, as forces of a United Nations power, might be called upon to take a part. The minister in his remarks a year ago, at page 4862 of *Hansard* for June 16, 1955, made some reference to the role a Canadian force would have to play in such an operation. He said:

> While no special arrangements exist for provision of forces to meet commitments which may be made from time to time in support of the activities of the United Nations, we have, I think, demonstrated in the support given in the Korean war that we can, when the opportunity and necessity arises, carry out our proper part promptly and effectively.

I would refer the minister to the ad hoc formations which were created when the Korean war broke out, and the very expansive steps which were taken to hurriedly raise the forces which were sent over in the early months of that war. I hope, with that example in his mind, something more will be done in the way of having forces in being, ready

to take part promptly should we be called upon as a member of the United Nations to make any contribution.

I do not think the minister's reference to the early days of Korea was a very happy one, although as operations proceeded and there was time—time having been gained by these hastily raised troops, time having been gained by the forces of our allies—Canadian troops acquitted themselves most admirably in that Korean war. The lesson which should be drawn is the fact we had nothing at that time and apparently, according to the minister's statement I have quoted, we had not very much ready a year ago and no reference has been made to that.

In connection with the cold war and in connection with the possibility of having to send forces to aid the United Nations, I would call attention to the words of President Eisenhower as reported in this NATO letter. The president said:

> Arms alone, the President said, can give no permanent peace, no confident security. If we are to preserve freedom in our own land; "it must likewise thrive in other important areas of the earth". For the welfare of ourselves and others, we must, therefore, help the rest of the free world achieve its aspirations. For our mutual benefit we must join in building for greater future prosperity, for more human liberty and for lasting peace.

This would indicate that if we are to play our part as a member of the United Nations, and as at least a middle power, we must be prepared to take part in that third class of war to which I referred, the bush fire war. Finally, we have to be prepared for the war of survival if all our efforts to deter the enemy should fail.

I should like for the rest of my time to examine our forces today. Are they in that state of efficiency which is indicated in order to be able to carry out these various tasks to which I have referred? In order to give some indication as to the problem in so far as the spread of Soviet imperialism, may I say that in this same NATO letter to which I was referring, on page 10 Mr. Dulles points out that the Soviet type of communism which in 1945 ruled some 200 million people of the world has now extended its rule to cover nearly 700 million people belonging to no less than 13 independent nations. It is, therefore, no surprise that the Secretary of State for External Affairs should have said a few weeks ago that NATO is at the crossroads.

Now, we cannot, and no opposition has the right to, accept a statement to the effect that our forces are more effective than they have ever been without examining whether the expenditure of $1,775 million this year on national defence is being spent to the best advantage from the point of view of the Canadian taxpayer. On page 4 of the white paper we are told:

> In the current phase of collective security, Canada's principal support of the west's retaliatory striking power is our contribution towards early warning and air defence on this continent.

The minister has referred to the early warning systems which are now being developed. He has referred to the fact that the United States is paying for the early warning chain, known usually as the D.E.W. line, which extends across the Arctic. Reference has been made to what Canada is doing in the way of building the mid-Canada line and what has been done in building the "Pinetree" line, as well as how that "Pinetree" line, which is to a very large extent a fire control system, is being developed. The minister indicated that the main purpose of the D.E.W. line was to warn the United States strategic bomber force of an approaching striking force so they could get off the ground and start on their mission of massive retaliation. I do not think anybody could find any fault in that. I am quite certain—at least I would hope—that if there were a force of hostile bombers crossing the D.E.W. line within the next year or two, sufficient warning would be given for the United States bombing force to get off the ground and start on its mission.

It is possible, as has been indicated outside this house, that as the power of the offensive increases and we are entering into the era of the intercontinental missile, the equipment of the D.E.W. line may not be able to pick up that form of attack. That is something we have to accept, and I think we should hold the minister guilty if he did not take such measures as he considered right to provide the best early warning system that he can devise at the present time, and hope that not only will the means of offence increase but also that the means of detection through advances in electronics will keep pace with the event.

Therefore I have no criticism to offer on the principle of the development of the D.E.W. line. It is an expensive operation. We do not know exactly what it will cost, and as it is being paid for by the United States as a joint United States-Canadian effort we have little comment to make. One does question the wisdom of having United States contractors manning and operating this D.E.W. line for the next three years. Naturally, having some pride in our own Canadian sovereignty, we would have preferred to see Canadian personnel doing that work.

Then I come to the question of the mid-Canada line. I think there is some ground

there for questioning as to whether it is desirable to have this second line of early warning stations as well as the D.E.W. line. I believe that originally the mid-Canada line was started as a sort of stop-gap to give additional warning to the "Pinetree" stations, until such time as the D.E.W. line was fully developed.

We are told in the estimates that Canada is spending $100 million this year on the mid-Canada line, and spent somewhere in the neighbourhood of $50 million last year. That is a great deal of money, and one is forced to ask whether it is essential to have these two early warning lines. True, you may say you are giving warning in depth. One can understand the advantages of that, but the time element comes in and it is not a matter of hours now; it would be really a matter of minutes from the time a hostile force might be picked up by the mid-Canada line and reported to the control elements, wherever they may be, to the time you could expect to get intercepters off, or to get the remainder of the strategic bombing force away with a warning which can only be a matter of a few minutes, since the mid-Canada line is so much closer in than the D.E.W. line in the north. Therefore I hope the minister, when he replies, will be able to point out to the committee the necessity for that particular line.

Of course no warning line is of any value unless it can be backed up by intercepters, and while the white paper would indicate that there are some 21 squadrons available for the defence of Canada, the minister painted a more realistic picture of that force this afternoon when he pointed out that at the present time there are only nine regular squadrons which are equipped with a plane which is efficient for its role at the present time, namely the CF-100. I presume they are equipped now with the mark V, or are soon to be equipped with the mark V, but that the auxiliary squadrons have not been able to carry out the role.

If my interpretation of the minister's words this afternoon is correct it would seem that the majority of the auxiliary squadrons are not to be equipped with operational aircraft but are to be equipped with the T-33 jet training planes, and it appears to me, from what I could gather from the minister's words that their role is to be more that of providing reserve pilots rather than as operational units. If that is not a clear interpretation of the minister's remarks I hope he will clear up that point. Therefore it would seem to me that of the 21 squadrons referred to in the white paper we have to rely at the present moment solely on the nine squadrons of the regular air force equipped with operational planes, and we have another three squadrons being developed.

One must also query the wisdom of, perhaps I might almost use the word, "stockpiling" of the CF-100. The Montreal *Gazette* today carried the statement that 510 mark IV CF-100's had already been produced and that there were another 115 mark V's. Well, for nine squadrons quite obviously 510 CF-100 planes, which it is said cost somewhere in the neighbourhood of $500,000 each, seems to be, as I say, stockpiling a large number of these planes. Quite obviously when the original order was placed it was the government's intention to equip the auxiliary squadrons with these CF-100's, and for that reason a larger number of aircraft were ordered than would appear to be necessary now.

I am not in favour of discontinuing the airplane production industry here. I think it is something we have to develop and maintain. In those periods of changeover from one type of equipment to a more modern type there is always the danger of equipment being turned out which before it leaves the assembly line is obsolescent, and I am afraid that is the case at the present time with the CF-100's which will be turned out. No doubt the CF-100 mark V, with its greater power, would be of value to combat any enemy bombers coming to this country in the near future, but its period of usefulness must be rapidly passing. The CF-105 will no doubt bridge that period until the time the guided missile is ready and available.

I have frequently wondered whether we have not rather limited the airplane production industry in asking them to develop a limited number of a type of plane. As has been indicated, there is a great shortage and there is a great need for more transport planes. I believe that the A. V. Roe Company, which has been making the CF-100's, did start a jet transport plane industry which was cancelled at the time of the Korean war.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but it is my duty to tell him that he has exceeded his time, unless the committee is willing to give unanimous consent.

Some hon. Members: Agreed.

The Deputy Chairman: The hon. member may continue with unanimous consent.

Mr. Pearkes: Thank you. I was wondering whether it might not have been possible to encourage a transport industry at the same time we were encouraging the construction of interceptors and CF-100's. Whether or not it is possible for Canada to dispose

of any of these 100's which must be surplus now I do not know, but it would seem desirable to do so.

Regarding Sabre fighters, are we rapidly approaching the same situation? Is the F-86 sufficiently modern to be the fighter of the future? I would like to have heard the minister indicate that something is being done to develop a more modern short-range fighter, something which would serve until we entered the guided missile era and even then, when we first enter the guided missile era, I am quite certain short-range fighters will be required as well.

The minister made reference to the manpower situation. I concur most heartily with him when he says it is quality rather than quantity which is required. From what I have seen of the three services in the last year I too think we have a very fine type of young man in all our regular forces. I do think, however, there is some cause for anxiety regarding the rate of enlistment in all the services, because there appears to be a trend toward a downward curve as a result of which the forces are gradually declining in strength.

The white paper gives the number of men in the three services. I notice that in June, 1955, there were 117,014. In December of 1955 that number had dropped to 116,715. Today the minister gave the figure as 116,250. There is a slight downward curve in the enlistment in the regular forces which is not encouraging, and while I believe it is far more important to have the right type of men in the forces, and to have small and efficient forces rather than large and incompetent forces, I would like to have some indication concerning what steps the minister is taking to correct that situation.

I notice in the white paper the minister refers to the shortage in air crews and has this to say:

> Nevertheless, additional proposals designed to improve the attractiveness of the service to suitable individuals—and hence to improve manning in those categories for which it is difficult to recruit—are presently under consideration.

I had hoped the minister would have given some indication in his remarks today as to what are the matters he has under consideration.

The minister made reference to the considerable number of civilians who are employed in the armed forces. One of course readily recognizes the fact that there are large numbers of civilians employed in the various ordnance depots and the dockyards on both coasts. The minister said 55,000 civilians are employed. That is nearly one civilian for every two men in the services. I do not quarrel with the need for personnel in the dockyards and the ordnance depots and so forth, but one does query the number of civilians employed at national defence headquarters. In the white paper we observe that 4,330 civilians are employed at national defence headquarters. That seems to me a very large number of civilian personnel, especially when one observes there are 3,282 women also employed, many of whom no doubt do clerical work.

I come now to the question of national defence headquarters. From time to time over a great many years we have questioned the size of the staff at national defence headquarters. We have wondered if it is excessively large. Time and time again we have called attention to the number of officers and men and the number of civilians who are employed there. It is rather disquieting, to say the least, for one to read in *Maclean's* magazine comments such as those made by the former chief of staff, in which he referred to the fact that national defence headquarters is cumbersome. He had some rather severe criticism to make.

Being a retired general myself I can perhaps discount the comments of retired generals to a greater degree than most people, but when a man has held that position and comments on his own organization it certainly gives one cause for wonder, particularly when one sees the actual figures disclosed in the estimates.

I wonder still more because I feel that with the modern trend of military development the time factor becomes increasingly important. Any headquarters has to act extremely fast in a national emergency. It would seem essential that there should be some single authority with the power to render instant decisions.

In the article to which I have referred reference is also made to interservice rivalries, competition for money and men as between the services, and friction between the services and the civilians. This matter of control is one of importance, and in that article the former chief of the general staff refers to the chiefs of staff committee. He certainly gives the impression that chiefs of staff have not been able to present their views to the minister, and that their views have been watered down by the rulings of the majority. My understanding of the chiefs of staff committee is that you have a chairman of the chiefs of staff, you have a deputy minister, you have a director of research as well as the three chiefs of staff. I realize that on a great many matters they must be able to

speak with a united voice because we have to consider the three services as working more and more as one.

I should like to ask the minister whether he has received any memoranda from any of the chiefs of staff indicating that he has had difficulty in approaching the minister and presenting his point of view. If there is any substance in what was said by Lieutenant General Simonds it would seem that there is a very definite weakness in the headquarters organization. Surely the chief of staff of a service should have the right at any time convenient to the minister to make representations in the interests of his service. If that condition exists it seems to me it is the responsibility of the chief of staff concerned to put his representations in writing to the minister, and I would ask the minister whether he has received any such complaints in the past.

Another serious charge is made in that article in connection with the permanent joint board, in which it is claimed that it acts as a barrier to the free exchange of ideas between the chiefs of staff of Canada and the chiefs of staff of the United States. That board was established before the United States came into world war II, and it had a very definite purpose in those days. I am not certain that that purpose still remains. I feel that if there is any difficulty in way of the free exchange of views between Canadian and United States chiefs of staff any such obstruction should be removed immediately, because we have to play as a team and both sides must be able to make the fullest representations to the other parties.

These are the main points I wish to bring to the attention of the committee at this time. I am pleased to hear that the number of militia going to camp will be increased, but 20,000 out of some 50,000 is not an impressive figure. I should like the minister to explain whether those are going as individuals to receive training in schools of instructions, or whether they are going to be trained as units. Unless a militia unit is trained under its own commanders from the brigade and regiment down it cannot be considered as an efficient unit.

It seemed to be indicated in the white paper that there might be a change contemplated in the role of the militia. Emphasis is placed on the fact that they are to supplement the regular forces. Two years ago the regular army reserve was introduced, and we were told last year that it was to provide first-line reinforcements for the regular Canadian units. Unfortunately that scheme failed, and failed badly. I believe they could not get any more than 100 to go to camp. Obviously there must be some means by which the regular units can be brought up to strength before they go on to an operation, and provision must be made to supply first-line reinforcements, either for regular units being employed in this country or on any other mission they may be required to carry out.

The militia are not well equipped. Reference was made to the fact that they are still hoping to have the 25-pounders replaced by the 105-mm and to replace the old Sherman tanks with more modern equipment. I wonder whether any attention is being given to the possibility of developing some form of armoured vehicle which could be used in our north country. The Centurion tank with which the regular armoured units are now equipped I would not think would be of much value in the north. It does seem to me that if we are to have an airborne force to operate in this country in the case of possible raids they should be supported by some armour. It might be a good line of research work to see whether a special light tank might not be developed for operation in our heavy and deep snow and under the cold weather conditions of the north.

The minister referred to the fact that another unit was going to be activated, but he did not mention which unit it was. I am sure it would be interesting to the committee to know what unit he has in mind if he is going to have a third regular armoured unit.

In closing I should like to call attention to the fact that apparently the minister has paid attention to what the hon. member for Winnipeg South Centre has been saying for a number of years, and some steps have been taken to provide some form of armoured carrier.

I appreciate the extra time which has been granted to me to make these remarks. There will be many questions which will have to be asked on the various items as they come up, but I shall close my remarks now.

Mr. Cameron (Nanaimo): Mr. Chairman, I was particularly interested this afternoon to hear the Minister of National Defence—I think I have his words correctly—refer to the profound effect of nuclear weapons and far-ranging bombers on our defence thinking. I was struck by that, because when I glanced through the white paper I could find little or no sign whatever of that profound effect upon the thinking of the defence department. It may be that the hon. member for Esquimalt-Saanich was correct when he said that this white paper had been drafted many months ago, perhaps before this profound effect had taken place.

Then I come to some of the remarks which were made by the minister, and I am again forced to wonder whether his speech of this afternoon was also drafted some time ago, shall we say before the Montreal *Gazette* of this morning was published. In discussing the role of the jet interceptor in connection with the D.E.W. line the minister made an interesting statement. He said the CF-100's, of their sort and of their type, are and will remain for a long time yet effective fighter planes. Now I turn to the Montreal *Gazette* of this morning and find there a quotation from some senior R.C.A.F. air crew officers who say they have doubts whether the CF-100 jet interceptor, Canada's chief defence weapon, could fly high enough to get at the latest Russian bombers if they attacked North America. Then the news story goes on to say:

> The government itself has made it pretty plain that it's worried, too, about this main aspect of defence.

Then it refers to the white paper, in which the government remarks on the urgent requirement for the supersonic CF-105 jet interceptor, now being developed at Malton.

That also seems to leave us one or two steps behind the thinking of other military forces in the world, because on Monday of this week the Ottawa *Journal* published a news report from Washington in which two United States air force generals, Generals Earle Partridge and Curtis Lemay, have raised questions about the effectiveness of the costly radar warning lines in Canada and even of the United States air force fighters, ranging up to 1,600 miles per hour in speed, or as fast as or faster than the CF-105 Canada will put in the air in a year or two. I am given to understand that the CF-105 is expected to have a speed range of up to about 1,500 miles per hour. It is not coming out for a year or possibly two years. Yet Generals Partridge and Lemay have grave doubts as to whether it is not already obsolete.

I can readily understand the difficulties of any defence department introducing arms and equipment before they become obsolete or obsolescent, but I think it is time we were facing some realities. When I heard the minister speaking this afternoon of the profound effects on our defence thinking of these new developments I was reminded of the statements made by an even more eminent authority, if I may say so with all deference, than the Minister of National Defence of this government. I refer to an article published in June of this year, written by Earl Attlee, former prime minister of the United Kingdom and minister of defence of the United Kingdom from 1945 to 1946. I presume when Earl Attlee made his statement he did so after having had the opportunity to discuss the matter with the leading military experts of the United Kingdom. He had this to say:

> We must accept the logic of events, and in the light of them consider afresh our defences. The situation has wholly changed since Labour was in power and introduced national service. We can reasonably hope, despite the frustrations of the disarmament conference, that no state will embark on a major war because of its inevitable consequences to victor and vanquished alike. The conceptions of armies of millions of men fighting land battles is out of date, and therefore the basis of national service—which was the provision of large reserves of trained men for land warfare—has gone. I gather also that the best opinion is that the long-distance guided missile cannot be dealt with by piloted planes, and this entails a review of our air forces. A navy operating from ports within range of the guided missile seems to be equally impossible . . .
>
> I am certain that at the present time much of the enormous cost of armaments could be cut down. I am sure that there are masses of weapons now obsolete which are still maintained or even being produced. There will inevitably be great opposition to the kind of drastic reorganization which is required. It will require a government with a strong will to undertake it for inevitably most of the experts will be thinking of the last war.

I think, sir, we are perhaps in somewhat the same position today in Canada. We have heard this afternoon from the Minister of National Defence, dealing with the radar lines and the joint use of those lines with jet interceptors. I have quoted the opinions of the two leading air force experts of the United States, who cast grave doubts on that concept and on its value in any way at all in light of the long-range high-speed bombers which it is known the Soviet union has now developed.

It is true enough that the D.E.W. line may still be of value in providing sufficient warning for the United States strategic air command to get those bombers into the air to proceed with massive retaliation. In that regard it is of inestimable value to the western world, but I would point out that it has nothing whatever to do with Canada's part in the protection of North America. Apparently we are relying on equipment that is now considered, by those who should know, to be quite out of date.

That, of course, does not even consider the problem of the intercontinental ballistic missile which is now known to be well on its way in development, both in the Soviet union and in the United States. In this morning's *Globe and Mail* there was a news story from Washington that Lieutenant General Donald L. Putt, United States air force development chief, said that the United States is keeping

up to its timetable for creation of an intercontinental ballistic missile. It goes on to say:

> Putt said at one point that Russia possibly could surpass the United States in air strength and weapons within a decade. Later he said he preferred not to discuss the possibility in terms of specific time.
>
> Putt, answering questions, said the United States has to date "met the milestones" in what he called a rather realistic schedule for producing an ICBM. He said the development is proceeding as a real firm program.

We hear of no moves made on the part of the Canadian government—and I should not expect to hear of any moves made on their part—to embark on the development of an intercontinental guided missile. But I would point out that in the United Kingdom defence white paper produced this year it is noted that the United Kingdom government has offered to its allies assistance in research and development of these intercontinental guided missiles. We have had no word from the minister as to whether Canada took any notice of that offer, or whether we are prepared perhaps to integrate our development and research facilities with those of the United Kingdom. We are told, on the other hand, we are going to rely in the first place on CF-100's, which are definitely obsolete today and which we are still producing, and later we hope to graduate to the CF-105's, which the United States air force considers now to be of very dubious value.

It has been said that our goals for defence in Canada are in the first place the defence of North America, in conjunction with our United States allies, from attack. What have we with which to do it? As I point out in regard to the D.E.W. line and the air force, we have equipment of very dubious value. Our army, which we are told is at the highest state of development that it has been at practically any time in our history, seems again to be somewhat out of step with the developments that have taken place in other parts of the world, and particularly in the United States.

We have from the United States reports of new tactical nuclear weapons with which all the forces of the United States are to be equipped as soon as possible:

> Atomic weapons whose employment was simulated (and this means solely the fission weapons of so-called "limited" powers of destruction; the appalling thermonuclear-fusion weapons—the so-called "H-bombs"—were not simulated) have a shattering effect not only on and about the point of impact as expected, but on a great many long-respected techniques of warfare. Certain world war II standards are standard no longer and it is a grave question whether many of the counter-measures thus far developed could cope adequately with a series of atomic strikes.

We are not given any information of any importance in the white paper or in last year's departmental report of any steps that have been taken by the Canadian Department of National Defence to secure, either from our allies or through development by ourselves, those nuclear tactical weapons with which the United States military authorities consider their armed forces must be equipped.

We have been told this afternoon of the way the Canadian navy has been brought up to date. That again seems to fall rather short of some of the developments that are taking place in other parts of the world, particularly in the United States of America. When the minister was speaking this afternoon of sweeping changes in naval design, no mention was made of the sort of developments that are now taking place in the United States. Admiral Arleigh Burke, chief of United States naval operations, when asked whether anti-submarine warfare was keeping pace with the potentialities of the nuclear submarine, declared:

> The struggle between the submarine and the anti-submarine capability is a continuing struggle. . . . Not too long ago we felt we were ahead of the game. Now nuclear propulsion seems to be putting submarines ahead again.

I see the Minister of National Defence is laughing. It may be, of course, that the Minister of National Defence for Canada is more an expert on naval warfare than the chief of United States naval operations. He may perhaps be a little more competent than the United States secretary for the navy who had this to say, as recorded in *Time* magazine of May 21 this year.

> The navy is presently going through the most tremendous change it has ever undergone, from steam to nuclear power, from guns to guided missiles and in the air from propeller type planes to supersonic planes, all at the same time.

But we of course are making sweeping changes in design. I saw some of these sweeping changes. I worked in a shipyard when they were taking place and, believe me, it was a very slow sweep. There is no mention at all in the white paper or in the minister's report to parliament this afternoon that the Canadian navy is keeping abreast of the developments in the navies of other great powers. I suggest to you, sir, that the situation revealed to us is a very serious one, when this document is all the Minister of National Defence can present to us and the Canadian people as justification for the spending of $1¾ billion. I would suggest this could hardly be described as anything more than a piece of impudence when you compare it with the United Kingdom defence white paper or with the proceedings that take place before the Senate of the United States on matters of defence.

I would suggest, sir, that the very first thing we in this parliament should do is find

out just where we are in defence spending and just what we are getting for our money. We are not going to get it merely by having the minister read a prepared speech to us today, a speech in extremely broad and general terms which tells us nothing. We are only going to get the information that the people of Canada deserve to have and have a perfect right to have if a committee of the house is established to go into the matter with full power to hear from responsible officers of the armed forces. The same procedure that is adopted in Washington could be adopted in Ottawa. You will note that in all these reports from Washington there is reference to the reports of this committee. Many of the meetings are held in camera, but the representatives of the American people are informed as to what the United States taxpayers are getting for their money in the way of defence. But here we get not a word.

If this is all, then I suggest the minister will have to do a very much better selling job to the Canadian people in the future than he has done in the past. There is nothing here to indicate that in Canada we have anything in the way of modern, up to date weapons of defence. There is nothing whatever to indicate that our Canadian defence authorities are even taking into consideration the developments which are taking place in other parts of the world. It may be that our government has decided that it is beyond our means to get into this particular type of struggle and competition. That may very well be true, but I would suggest again that when one of our allies—and more than an ally, I suggest; the United Kingdom—has suggested that it is willing to co-operate with the other members of NATO and the western world in research and development on modern weapons, then the Minister of National Defence would be on better ground if he came to parliament with a request for appropriations to enable the Canadian government to take advantage of that offer, rather than to come before us seeking appropriations for weapons which I am quite sure he would not dare deny are obsolete before they ever reach the armed forces. If the minister feels that is wrong, I hope he will try to justify these expenditures we are making. He has not done so yet.

We are told that we not only have the defence of North America to consider but also our commitments under NATO. I would suggest that the developments of the last few months have demonstrated pretty clearly that NATO as a military organization has almost passed out of the picture. In fact that is the obvious reason the three wise men or the three blind mice have been set to work to discover a more effective role for the North Atlantic Treaty Organization. I think we can take it for granted that since the United States strategic bomber command succeeded in establishing bases on the perimeter of the North Atlantic area, the value of NATO from a military point of view has declined almost to the vanishing point.

I see the minister is shaking his head. He will shake his head until next year, when he will tell us that we all know NATO is no longer of any particular importance. Now we are told that it is one of our most important commitments.

We also have our commitment under the United Nations charter. It seems to me that this commitment must primarily be a commitment to take part in a United Nations police force to put down or deter outbreaks of war on a minor scale in different parts of the world. I think most people will agree that the United Nations is quite obviously not the organization that is going to stop a major global war, because members of the United Nations in that case will be the opposing forces. But it is of value yet in the prevention and discouragement of outbreaks of war on a small scale in different parts of the world, and for that Canada must maintain what the minister has described this afternoon as a mobile striking force.

But again I suggest that striking force must be equipped with modern weapons and must not be equipped with the weapons of world war II, even the more developed and streamlined versions of those weapons, because they would be quite incapable of meeting the situation we would face in playing our part in that particular commitment.

I think also that before we embark on any more military experiments we should make up our minds about one thing, and that is the western world's position vis-à-vis the U.S.S.R. This afternoon the hon. member for Esquimalt-Saanich voiced the view that in his opinion, and the opinion of many others he quoted, the danger of a global war is perhaps more remote now than it has been for many years past. I think most of us can perhaps agree with that position, that on an objective view of it there is very little to encourage the Soviet union to embark on a full-scale global war because of the disastrous and inevitable consequences to both sides in such a conflict.

Therefore I think we have to decide just what our position is with regard to the Soviet union. I have been somewhat uneasy of late in noting the lag in thinking in the western world with regard to the real dangers from the communist world; our preoccupation with the development of military means rather

than paying attention to some of the other problems that are creeping in through the back door.

In that connection I want to quote from an article written by Dr. Thomas Balogh, of Oxford University, one of Britain's leading economists, in which he says:

> No longer can we think of the Soviet threat as a vast horde of (slightly comical) mujiks, poised to be driven forward by a ruthless dictatorship. No longer can the Americans derive solace from the fact that only through subversion and treason can the U.S.S.R. obtain the know-how on which survival in war and victory in peace depends. The attraction to non-committed areas radiating from the Soviet technical achievement, based on their own effort alone, begins to be apprehended.
>
> The fact is that in a period of unexampled prosperity and full employment, the west—except for Germany—has not proved capable of matching Soviet technical and economic progress. Each year the Soviet over-all growth—including the weak spot of agriculture—has been showing an increase of from 6 to 10 per cent over that of the previous year. Their industrial expansion seems to have been even faster, perhaps as high as 11 to 12 per cent or more. In other words, Russian national output can be expected to double every 12 years or so.
>
> This pace compares with an increase of United States manufacturing capacity of roughly 5 to 6 per cent annually since the war (except for the dip in 1949) and with a similar increase in Britain (interrupted in 1952-53 and about to slow down again). Over-all production in the west has increased much less—between 2½ to 4 per cent.

I think that reveals the real nature of the problem we are facing. I believe it is the explanation of the unilateral decision of the Soviet union to disband some 1,200,000 men. I believe that decision was based on two assumptions. The first was that the day of the conventional army is over and that the next war is going to be fought with these fearful thermonuclear weapons; and second, the men now in the armed forces of the Soviet union—at least that number of them they propose to disband—are badly needed in the Soviet industrial machine to increase this astonishing rate of progress quoted by Dr. Balogh. I think in Canada perhaps we had better make up our minds as to whether or not we can go on playing in the military world to the very expensive tune to which we have been playing over the last few years with absolutely no discernible results in effective defence, or whether or not we should turn our attention to the Soviet industrial development.

In this connection we should remember that the peoples of Asia and Africa are watching us, and they are not particularly impressed with the development of military weapons. They are more impressed with evidence in terms of human life within the rival areas of the world. If we could develop our area as one with terms that would constitute a model to be emulated, then it seems to me we should have gone a long way toward saving parts of Asia and Africa from falling within the scope of Soviet communist influence.

However, that is a problem and a question for the government of the day to decide, as to where we are going to devote our energies and our resources. But I will say this. If we propose to continue with the production of military equipment; if we propose to take a real and effective part in the defence of North America, which we are not doing today in any sense at all; if we propose to take an effective part in the policing service of the United Nations, then we shall have to do so on a realistic basis and not on the basis we have today.

We have to face the fact that at the present time we have not developed, and the minister this afternoon has been unable to give us any evidence that we have developed, the sort of military weapons that are of any consequence at this particular stage in the world's history. At the present time what we are being asked to endorse in this house is nothing more nor less than wanton waste of public funds and the resources of this country. I suggest to you, sir, that the people of Canada are going to want to have rather more conclusive evidence from the minister that he is spending their money wisely, and in the process of spending it is actually developing some military defence for this continent, than he has exhibited.

It may be, of course, that the government is not really proposing to spend this 1¾ billion they are asking from parliament this year. It may be they are merely asking for it in order to be able to ask for far less next year, when it will be more convenient to ask for less. I do think, sir, the time has come when the people of Canada and the government of Canada have to take a long look at this whole military situation and make up their minds once and for all whether a nation of the stature of Canada, great as our industrial resources are and great as our wealth in skilled manpower is, can actually in this day and age play a significant role in the military world.

I myself am dubious that we can do so. I am convinced at least that we can only do so as auxiliary to the efforts of our allies, in particular the United States and Great Britain, and that we can give limited aid in the provision of research work or possibly some minor future developments. Certainly we cannot hope to take part in the sort of game that is now being played by the United States and the Soviet union, a game of astronomical costs.

I noted the other day that Sir Anthony Eden, in replying to criticisms about his government's policy of continuing with the hydrogen bomb experiments on the Monte Bello islands, placed as the first of his government's considerations in that regard the consideration of national prestige. One can readily understand why Sir Anthony Eden and his government feel that way, because after all it is only a matter of a few years since Britain was one of the great leading powers of the world. It must be a bitter pill for the British people to feel that today there are, in effect, only two great powers in the world. One can forgive, I think, and understand the desire to maintain national prestige, even though quite obviously very little military advantage is to be gained from that procedure.

But Canada is in a totally different position. We have never been a great power. We have no long tradition of military superiority to maintain. We have, I think, the opportunity to achieve distinction and honour in the world by being one of the first nations in the world to turn our backs on the follies of military competition and to develop here in Canada, a society which will be a model worth emulating, so worth emulating that those who are uncommitted in the world will by force of example become committed to our side in the ideological struggle that lies behind these military considerations.

Mr. Low: Mr. Chairman, I do not intend to speak over long, but I should like the indulgence of the house if I take it just a bit slowly and attempt to deal with some of the things which I believe have been, and could be, called serious omissions in the government's program. We are setting out today, Mr. Chairman, on what could be and what I hope will be the most important debate of the present session of parliament. We are living in—and I think most of us realize it—the most dangerous time in the history of the world. There are two camps divided by a broad and almost uncrossable stream, and those two camps in the world are set against each other. It appears that every basis of trust between them has been destroyed and there is no possibility, as far as I can see, of any lengthy peaceful coexistence between them.

I think these are facts we pretty well have to face up to. The whole world lives in fear that some incident might come to catapult us into what could be called a third world war. If such a war should come, then there is a very large body of expert opinion that believes it will be a total war involving the use of nuclear weapons of tremendous destructive power. To me, to think of such wholesale destruction is sickening, and it points up the necessity of doing everything we possibly can to prevent a major war of any kind breaking out.

Consequently I think it is understandable—it is to me—that emphasis on the part of the Canadian government should be placed on what is called the world's major deterrent, namely the long-range bombers of the United States strategic air command, armed with nuclear weapons, supplemented by our own.

I say it is understandable that emphasis should be placed by our government upon that strategic air command. This, of course, involves very close co-operation between Canada and the United States and the provision by Canada of our most efficient weapons, our most efficient mobile ground forces. I say the "most efficient" because I believe it would have to be the most efficient ground mobile force which our country is capable of raising.

We must do all we can, as other speakers have said, to ensure the adequacy of our defences in all three theatres, the air, the sea, and on the land. We in Canada cannot sit back and leave the defence of our country to our neighbours, the United States. There seems to be a growing opinion that this can be done, but to me it is unthinkable; to any red-blooded Canadian it would be. But we have to face the fact that defence costs are growing by leaps and bounds, and as the development of nuclear weapons goes forward our defences have to depend more and more upon very complex and costly apparatus.

We appear to have reached the point where the most penetrating consideration must be given to the problem of what should be Canada's role in the defence of North America and of the free world, facing up, as I said, to these facts about the tremendous costs that have to be met. Our population in Canada is small compared with the vastness of the territory that we have to defend, and there is a limit to the amount of money we can raise to spend on this costly equipment. How far can we go? I suppose the better way of asking that is, how far must we go, because to me it is unthinkable that we would not go as far as we must and as far as our strength and our resources would make it possible for us to go in any exigency that faced us.

During the past year there have been many outspoken criticisms of the government's defence policy by men eminently qualified by training and experience to be critics. These criticisms have caused commendable concern on the part of Canadians generally about the effectiveness of our defences. Many of us are wondering, however, if these criticisms

are well-founded. It seems to me that is the question that is being asked by millions of Canadian people today. They feel, I am sure, as I do, that the only way we can get the answer is to have the whole matter of our national defence debated most thoroughly here in this house and at as great length as might be required to bring out the whole truth so that our future course will be crystal clear, if it is possible to make it so.

For these reasons we in this group sincerely hope that in the debate that is now launched there will be an honest determination to get quickly to the very core of the very grave defence problems that we do face. So as far as we in this corner are concerned we intend to forget manoeuvring for political advantage and to apply our minds to an attempt to find out what is the right thing to do. My colleagues and I will be critical, as we go from day to day in this debate, of some phases of our defence program; but, Mr. Chairman, it seems to me there never was a time in the memory of man when it was so necessary to be right. Therefore our criticisms will be directed toward trying to find what is right; and we can get at truth and find out our right course of action only by a prayerful and completely honest approach to the problems we face.

It seems to me it would have been better for all concerned—it would have been wise, at any rate—to have had these estimates sent to the estimates committee. I think it would have given many people a chance to discuss the technical details of the various components of the defence program and the contents of the white paper. It would have given us a far better chance to find out whether the moneys that are being spent are being spent effectively, and if we are really using those moneys to make ourselves ready to meet what we may have to meet. I wonder, and I am sure many people wonder with me, whether the dollars we are spending are truly girding us about with the things we need in order to be strong and effective if we have to meet an enemy in combat. Well, it seems to me we could have had a far better opportunity in the committee to bring out many of these things. However, I am not going to waste time moaning about it. The fact is that the estimates are now before the committee of supply and, as I said, I do hope there will be a sincere desire to get down to the very core of our program as quickly as we can and find out for ourselves whether these moneys are being effectively spent.

There are many questions one could deal with, but I am not going to spend too much time now on those questions. My colleagues who will follow me will deal with many of them. Concerning ground forces, about which there has been so much debate and contention in periodicals in this country of late, the minister says he intends to add a third brigade group. Well, we in this corner are with him in his desire to strengthen the fast, mobile ground forces. We think that is a very important part of our defence of this country. The addition of a third brigade is very important, particularly, as other speakers have emphasized, if it and its other two components are equipped with the latest equipment, the best that can be obtained; otherwise it is going to be useless if it is to face any attempt at invasion. And so we go along with the minister on that.

It is reported that Russia now has 400 submarines, many of them of the very latest type. Well, the natural question is, what are we doing in the way of counter-measures to meet the threat from those submarines? The minister said today that he and his department, and I think he mentioned the department of defence planning, are giving great consideration to the subject of effective submarine detector equipment as well as anti-submarine defence in general. We should know the fullest details concerning this and other things that are being done to render Russia's submarine fleet ineffective. One never knows just how effective that fleet may be in launching long-range missiles that could go into the very hearts of our cities. We would like to know more about the anti-submarine defence program, and we hope in the course of the debate it will be possible for the minister to give us more facts concerning it.

I would like to say just a few words concerning the reserve army. As one goes about the country one hears a great deal of criticism about the way the government is handling the reserve army. One hears that there are piles of good equipment in the armouries that could be used by these men in training, but use of it is denied to them. I do not know if that is a well-founded criticism, but I have heard it. It seems to me that sort of thing ought to be brought out in the open and freely discussed here so the people of Canada may know what the situation is and have their fears and anxieties set at rest.

I am not going to go into any further technical details with respect to the defence program, although I might say much time could be spent by any speaker re-emphasizing many of the things that have been brought up by other opposition speakers concerning the flaws in our defence program. I think there are some exceedingly important omissions on the part of the government which reveal to me a serious inconsistency and lack of balance. I refer to the fact that while the

government is prepared to spend $1,750 million on defence against possible outward attacks by the enemies of the western world, yet there is very little attempt on the part of the government to defend our people against the insidious subversive internal attacks that are being made by these same enemies in their unceasing attempts to overthrow us from within.

I want to talk about that for a few minutes, because to my way of thinking it is a serious omission in our defence program. I would not be fair to the people I represent if I did not bring this matter well to the fore and expose the fact that we as a people —and I suppose all of us have to take some blame; we cannot lay it all on the doorstep of the government—are failing to progress in thought in keeping with the dangers that beset Her Majesty's loyal people everywhere. The government is antiquated in its thought if it continues to think only in terms of its arms program as the front line of defence. The front line, Mr. Chairman, has now been transferred into the western lands which are still fortunate enough to have escaped the fate of those who are languishing behind the iron curtains of the world.

Let me mention some of these failures on the part of this government and perhaps also on the part of this parliament, failures that I call serious omissions. The first of these is that we have failed to adequately educate the people of Canada as to the true enemy we face. Our people do not know; they are not adequately informed about who the enemy is and what he is doing and how to identify him. Too often government policy has made it appear as if we are the friend of the enemy, the friend of communist Russia and of the communists themselves. In such circumstances how can we hope to combat the aversion one finds on the part of our young people toward fighting against friends? That is what they say when we attempt to induce them to take up their duties in the armed forces. They say, "Why should we fight our friends? We are told these people are our friends and that we must make them our friends."

We are in a very difficult position, it seems to me, if we ever hope to convince our young people that strong action has to be taken against the enemy. We cannot at the same time tell them that this enemy is our friend. We have to tell our young people the truth and let them know that unless they are adequately prepared against the enemy their throats could easily be cut by these people who pose as friends and who are sometimes called our friends.

We have allowed red spies to freely come and go through our land. I was very glad to note the Minister of Citizenship and Immigration showed some concern about this matter in a general way by taking action in the case of Paul Robeson and the millionaire communist Lamonte. I support him and commend him for that action. I would suggest to the government this is a most important part of our front line defence. Keep it up and we will support you.

There is no reason in the world why communist spies should be allowed to come and go freely and spread their insidious propaganda and help to organize subversive activities throughout our country. The funny part of it is that frequently our press takes up the statements these people make, plays them up and uses terms that are evidently designed to sink into the minds of people, to be remembered by them. Too often members of the government have made unwise statements which have helped the enemy's cause. Though I do so in no caustically critical way, I refer to a statement made by the Prime Minister when he was in the Orient on his long journey. The Canadian Press reported him as saying:

> The government of Formosa—

That is the nationalist government.

> —does not represent the great mass of the Chinese people. I believe that one day it will be necessary to be realistic and admit that the present government of communist China is the government desired by the people.

I emphasize those last three words; how unwise they were. Statements containing words like those cannot help to keep the western world united and strong and prepared to do the job that must be done. It may be that the Prime Minister did not make such a statement and I must say I am not sure about it. The Canadian Press, however, did report it in that manner.

I have spoken briefly about our failure to adequately educate the people of Canada to the dangers of internal communist infiltration. Last year it fell to my lot to point out the communist infiltration of thought into *Current Affairs,* the magazine circulated to the Canadian forces. I brought to the ministers' attention a number of flagrant statements designed for no other purpose than to propagandize the virtues of the enemy and to soften the determination of our young people to take strong action in defence of the western world. The minister paid attention, and I must commend him for so doing. For some months after that I saw some improvement, though I must say to the minister through his parliamentary assistant, who is now present, that though he promised to send me copies of the *Current Affairs* magazine as it came off the press in succeeding months

after I made my comments here, I am sorry to say I did not get them from that source. The ones I have seen I had to get in some other way, but I must say that those I have examined have shown considerable improvement.

I am thinking now how useful a defence measure could be made of that improved *Current Affairs* magazine if it were sent out to the colleges and universities of this country filled with vital information which our young people should know. Send it out with inspirational and factual stories of the great achievements of the commonwealth and let them see that we have a cause worth fighting for. I say to you that would be of tremendous advantage to the western world in general, and certainly a useful defence measure could be made of it.

While we are talking about getting information out to our people and the failure of the government adequately to inform the people of Canada, why should it not be possible to put on a drive to popularize *Hansard,* to get the people in every community to take *Hansard* into their homes, to subscribe to it and read this debate. If that were done there would be an awareness of our needs. I think we are missing the boat in not doing that.

This government needs to give attention to ideological warfare as a front line defence at the present time. They are not doing it. The communists are paying the greatest attention to ideological warfare and have done so for quite a number of years. I have on my desk an outstanding example of the kind of things the communists are doing. This bundle of papers and magazines and periodicals came to me, just one person in this country, in the mail from the Russian embassy in this city. Much of it is beautifully got up, much of it is cleverly worded, and all of it is intended to mislead. This kind of thing is going out through the mails to thousands of Canadians. What effect is it having on them? What are we doing to combat this sort of thing?

Let me point out that this is the literature which last year was extolling the virtues of the great regime of the famous Stalin. This year it is equally emphatic in crucifying the now infamous Stalin and building up Khrushchev. What are we doing to tell the people of Canada what Khrushchev was doing during the time the infamous Stalin was carrying on his depredations? We are doing nothing. We are falling down on the ideological front. We are a complete failure. Where is our spirit? As I said, much of this is cleverly worded and attractively got up.

Mr. Blackmore: And illustrated.

[Mr. Low.]

Mr Low: And illustrated. If anyone would like to see it I have it here.

An hon. Member: We all get it.

Mr. Low: We all get it; it comes to thousands of homes. I wonder if we have investigated how it gets through the mails. Is it given any priority by virtue of the fact that it comes from an embassy? I am not charging that it does get priority, but it would be interesting to know, and I hope in the course of the debate we will find out something about it.

I should like to speak briefly about another thing, the failure of the government to present a true and attractive democracy to our young people. One can be excused for saying something about this, because today many of our young people are finding it difficult to build up that spirit which says, "Go and take your responsibilities of citizenship along wth the great privileges that are yours; stand ready for strong action if it becomes necessary." All too often you hear them say, "Well, we have a lot of faults." I wonder what we are doing about that.

Some will argue, of course, that this is not a defence matter, but it is indeed an important part of our front line defence in my judgment that a positive approach to democracy should be presented to the youth of our land, to make them aware of the great privileges and corresponding responsibilities of citizenship in Canada under a free democracy. One can be excused for wondering sometimes if this government has lost its pride in the freedoms which were won for us by our forefathers who understood and appreciated the value of the great things that we have.

To this end why should we not have far more inspiring programs sent out over the great government-owned television and radio networks, far more inspiring than we see now? Why should we not have more inspiring things on the theatre screens throughout our country, perhaps paid for out of the general treasury, in order to instil in our people a will and desire to come to the defence of our great country whenever the need arises. In my judgment this would not be a waste but would be a great forward movement in an effective front line defence.

I admit that the government at present would have to be prepared to present some unsavoury things in regard to our democracy if they would be honest and truthful in facing the youth of our land with a real challenge against communist ideologies. But it is not too late to have a change of heart and transform these unsavoury things into effective facets of an inspired democracy.

We can do that; we must do that, otherwise we cannot hope to arouse our young people to the need to give everything that is in them when the need arises.

If $1\frac{3}{4}$ billion are needed to develop our military defences, then surely we have a case which must be put before the nation, a case which must show the critical situation in which democracy finds itself. The youth of our nation would respond to the appeal of truth and changed heart. I submit to you that if no such call is given, if no such challenge is thrown out, then in my judgment there is no justification whatsoever for the huge expenditures on defence that we are contemplating today. The two things must go hand in hand. It seems to me that if we are going to spend the money then we have to tell the people why. This government it seems to me leaves far too many things unsaid. I do hope that they will come to see the great gains that are involved in the things I have mentioned.

The purpose of highlighting this serious inconsistency and lack of balance on the part of the government and the reasons for the failure of the government to do certain important things is not by any means to expose or to carp, but rather to induce the government to give that kind of serious attention which this matter deserves. The west has been losing the cold war. We need not be in that very serious position, because we have the greatest and the most effective way of life ever devised to sell to the people of the world if we would just clear away some of the abuses and make our democracy that vital thing it can be. Then we should sell it to the world.

I believe that if the government would enlarge its defence program by adding a great ideological offensive we might be able to forestall the awful possibility that the great arms race might lead to another terrible conflict. At the same time let me say that we in this corner urge the government to keep on trying to find a way to a safe and honourable peace and disarmament. Do not go about disarming in any foolish way. Do not consider disarming until we have an effective guarantee that the others who are our enemies are going to disarm, and effectively.

At the same time, too, we urge that the government carry on an unceasing effort to find and remove the causes of war. It is our hope that the "three wise men" who are meeting on this very day, as they discuss the problem that is common to us all, the problem of the defence of the western world, will be successful and will not prove to be, as Canada's representative himself has said, three blind mice.

Mr. Nesbitt: There are always certain difficulties in dealing with the estimates of this department because, of necessity, so much of the information that should be given to us has to be kept confidential, in the public interest. Further, I suppose that the only member of this house who really can be considered an able strategist is the hon. member for Esquimalt-Saanich. The rest of us might well be described as armchair strategists, although from the facts presented in the white paper and in the minister's estimates certain logical conclusions can be drawn, and I think we are entitled to draw them.

I thoroughly agree with the statement made earlier this afternoon by the minister that we must be constantly on our guard and we must not be lulled into a stupor by Russian propaganda that is dished out with a smiling face. Most of us can remember only too well what happened at Pearl Harbor, when the Japanese diplomats were in Washington bearing the "cherry" branch, and I think it is certainly well for us to remember that.

As my time is somewhat limited, my remarks will be directed chiefly to the role of the navy. In the minister's white paper it is stated at page 4:

> Canada's naval role is the defence of our coastal areas, as always, and co-operation with our NATO allies in the defence of vital sea lines of communication . . .

I note that the first priority is the defence of our coastal areas, and the second is co-operation in NATO with respect to the defence of the sea lanes. There has been another suggestion, though it is not made in the minister's white paper. It has not been announced by the government, though I would be delighted to hear any comment in this regard, but it has been suggested that at the forthcoming commonwealth conference the question might be raised that some of the commonwealth countries might take over the duties the United Kingdom navy is at present carrying out with respect to certain areas. It has been suggested on the editorial page of the Toronto *Telegram* that possibly Canada might look after certain areas of the southern Atlantic and the West Indies, but I do not wish to deal with these questions because they are problematical; they do not deal with policy, but are only suggestions in the press.

My remarks will have three aspects with respect to naval policy. First of all, what do we have to do? Second, what do we have

to do it with? Third, is what we have to do it with adequate for what we have to do?

First of all, what do we have to do? As the minister has pointed out in the white paper, the first consideration is the defence of our coastal areas; the warding off of attacks on our shipping, the laying of mines and possibly attacks by guided missiles. The minister mentioned that this afternoon, and I was particularly interested in view of the fact that it is a subject with which I dealt on the estimates last year. I do not think there is very much likelihood of attacks on this coast by surface ships of the Soviet navy, particularly in view of the large number of cruisers and larger ships that are presently used by the United States and the United Kingdom.

However, I should like to point out that the defence of coastal areas is necessary. Even a war involving hydrogen bombs would not necessarily terminate very quickly. The role of the navy must be emphasized again. I think it is quite clear that our sea lanes must be kept open, and in this regard I should like to refer to a few remarks—I do not intend to read them, but hon. members interested may refer them—by Mr. George Ward, parliamentary and financial secretary to the admiralty. These remarks appear on page 2331 of the United Kingdom *Hansard* No. 346, of March 8 of this year. Mr. Ward says:

> Clearly Russia recognizes that massive land and air forces and the thermonuclear bomb are not enough, and that she must also be able to dispute command of the seas.

He goes on further to point out that it will not be the western powers that will have the opportunity of starting a war. He says:

> But since we shall not decide when a war is to start, the power that does so will presumably have the wit to see that its submarines and, indeed, its entire navy, are at sea first . . .

In the defence of our coastal areas there are certain areas that are obvious, such as the approaches to our Atlantic provinces and to the Pacific coast, but there is another area which I think does not have the attention it should have, so far as the public is concerned at any rate, though possibly it has from the department. There is one very important area of Canada that has not received very much attention, and that is the Arctic and the Hudson bay area. I have brought this subject up in the house before. We have had plenty of indication that the Soviet union has been setting up air bases on the Arctic ice islands that float around in the polar waters. Apparently they are still outside Canadian waters, but there is nothing to prevent the Soviet union from setting up air and submarine bases on these Arctic islands in polar waters. I understand they could be set up in a week or ten days.

I also understand that the Soviet union has submarines which are investigating the floors of the ocean in the Arctic area, travelling underneath the ice. I think they are a great menace to this country. The Soviet union in the event of trouble starting, could secretly set up bases on these Arctic ice islands. It is something that should be considered, and I hope it is being taken into consideration by the government.

Regarding the defence of the sea lanes, of course, it is largely a matter of co-operation with our NATO allies. Apparently our role is that of an anti-submarine navy, which I think is quite proper. However, I note that on page 13 of the white paper it is stated:

> The Royal Canadian Navy has 40 warships currently earmarked as this country's contribution for the defence of coastal waters in the Canada-United States region and for the NATO naval forces under the control of the supreme allied commander, Atlantic . . .

There are a number of questions I should like to ask the minister. I should like to know what types of ships are included in those 40 ships. Are they destroyer escorts, minesweepers or frigates, or what are they? I hope the minister will give us an answer when the remarks on the first item are concluded.

The next question I should like to deal with is, what do we have to do it with? In other words, what naval equipment do we have to carry out the duties outlined by the minister? In this respect I should like to refer to page 6 of the white paper and see what ships we have available. First of all we have a light fleet carrier; there is one in commission and one under construction. I think hon. members are generally familiar with what type of ship that is. Next there are two light cruisers. I should like to know one or two things about these light cruisers, the *Ontario* and the *Quebec*. Have they been remodelled since the last war or have they had any conversion? How long is it intended to keep them in service, and what are they used for, apart from taking training cruises around the globe?

Next are the destroyer escorts. We see that there are 12 in commission and 13 under construction. As most hon. members know, the destroyer escorts of the Canadian navy are of several classes. There is the new St. Laurent class which, from what I have been able to gather, is an exceedingly fine ship. Then there are the Tribal class ships which have been remodelled and reconverted, and then there is the Crescent class, of which I believe there are two.

There are a number of questions I should like to ask the minister in this respect. I understand that all the destroyers under construction are of the St. Laurent class, but with respect to the destroyers in commission, of which there are 12, I believe I am correct that one is of the St. Laurent class, two are of the Crescent class, and I presume the rest are Tribal class. If I am mistaken I hope the minister will correct me.

There are a number of questions I should like to ask the minister with respect to these destroyers. First of all, when these Tribal class destroyers were converted and altered to suit modern conditions, what was the individual cost of converting these ships? More than that, I should like to know what is the life expectancy of these converted ships. Will they be good for three, five, ten years or what? I should also like to know what is the life expectancy of the new St. Laurent class. Are they expected to last five years, ten years, or what? I think these are things we should know.

Then I come to frigates; they are next on the list. I see that we have ten frigates in commission, and I gather that there are three on loan to the Royal Norwegian Navy. Then there are six in reserve and five being converted. The term "frigate" is to me, at least, a very confusing one. I should like to know a number of things about these frigates and I hope the minister will be able to give us the answers. In view of the very wide knowledge and information given members of the British House of Commons I cannot see that I would be asking improper questions when I put these questions to the minister.

First of all, are any of these frigates now in commission converted destroyers? Second, when were the frigates built that are in commission, in reserve or undergoing conversion? Third, what did the modernization of these frigates cost? Are they fast enough and capable enough to overtake and destroy or capture a modern Russian submarine? I think these are things we should know. The minister can tell us without disclosing their speed or anything of that nature. What is the life expectancy of these frigates? Are they expected to last three years, five years or how long? Do these frigates still have reciprocating engines or have turbines been supplied?

These are very pertinent questions. Are these frigates similar to the frigates that were in use at the end of world war II and have they just been altered and converted, or are they similar to the new frigates in the British navy which cost £2¾ million each and are really very much more like a destroyer? I believe these new British frigates are known as the Daring class. I should like to find that out, and I do not think it is proper for members on this side of the house to be expected to make remarks on the estimates of the department without knowing these facts.

Next I refer to the coastal escorts. I should like to know what kind of ships these are. Do they include former Algerine class minesweepers? Then I should like to refer to the use of helicopters. At the top of page 38 of the white paper for this year I find the following:

> An experimental anti-submarine helicopter unit has been formed to carry out trials with new underwater detection equipment and to perfect techniques for the use of this equipment.

I believe last year's white paper referred to the fact that there were going to be six helicopters used on an experimental basis.

The last thing I should like to deal with is whether sufficient provision is being made to look after our defence adequately, to take care of what we have to do. It would take me about five minutes to complete my remarks, Mr. Chairman. I see it is two minutes to six, and I wonder whether I might have permission to continue.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Nesbitt: Thank you, Mr. Chairman. It is very hard to say whether or not we have sufficient to take care of these matters until the minister answers some of the questions I have asked. However, there are some observations I think any member can draw from the white paper and from the estimates themselves without having yet received the answers I have asked of the minister. First of all, let me take cruisers. Why do we have these cruisers at all? If our navy is to be an anti-submarine navy, what is the purpose of these cruisers? They have a large complement, presumably 800 or 900 men, are very expensive to maintain and I cannot see that they perform any useful purpose except perhaps for training. As far as training is concerned, I am quite sure that could be carried out better in some respects with destroyer escorts, because that is the type of ship which our navy is using as its backbone, and I think properly so.

By way of a second observation and recommendation, may I say that I hope the government does everything it can to hurry up the completion of construction of the remaining 13 destroyer escorts. As I said before, from what I have been able to gather these are a very fine class of ship and our navy can well use them, particularly in defence against submarines, especially in Arctic waters where weather is a factor. We need these ships to defend ourselves.

The next point I should like to refer to is the use of helicopters for anti-submarine work, and in that connection I should like to quote an extract from the debate on the naval estimates in the United Kingdom. I refer again to the remarks of Mr. Ward who had this to say, as found at page 2335 of the weekly *Hansard* of the British House of Commons:

> The next point I want to deal with is the use of the helicopter for underwater warfare. It is proving very efficient at operating an asdic set from the air, free from ship noises and practically free from effective retaliation by the submarine.

Apparently the United Kingdom navy is already using helicopters for this purpose, and I would hope the minister would take into consideration the hurrying up of their use here. Helicopters are relatively cheap compared with expensive destroyers. They are not vulnerable to any attack and they are free from ship noises at sea so far as the detection of submarines is concerned. They can also be operated from the shore. Their only limitation is, of course, the weather.

The next matter I should like to deal with briefly is the fact that we must realize the danger from the Arctic. As I have already mentioned, if trouble arises there is great probability of the Soviet setting up bases in the Arctic. It has always been said that we cannot be attacked from there, that it is too difficult to use equipment. That is the same type of thinking some admirals and generals had with regard to Singapore. They said that any attack must come from the sea, that it could not come down the Malay peninsula. All hon. members know what happened. I re-emphasize that there are dangers of attack from the north. I should like to know whether our present ships can operate adequately in Arctic waters both in winter and summer months. I know that the atmospheric conditions, the fact that it is dark in the winter months and also that the water freezes would certainly limit the operations of the ships we have at present, and also the operations of aircraft.

If by some chance the Russians were able to set up bases on Arctic islands or on ice islands we would have to have some way of dealing with them. As the minister pointed out in his remarks this afternoon, it is very difficult and apparently not always too satisfactory to drop troops from aircraft in Arctic areas. There are limitations. I am also informed by people who should know that there would be certain difficulties in operating aircraft in severe winter and stormy conditions. It might be necessary to use naval ships of a special design in order to land troops in those areas to deal with any temporary Soviet bases that might be set up there. I would like to suggest, Mr. Chairman, that the government take into consideration the forming of a small, compact marine force in conjunction with the Royal Canadian Navy to be used for this purpose.

In this same regard, Mr. Chairman, it would be very unrealistic to expect our ships to operate in the Arctic without bases. I think it very important that some type of naval base, not large but adequate to deal with destroyers, be set up in the Hudson bay area. I think it is important that we have a naval base in the Hudson bay area and possibly one or two farther north. These would have to be selected very carefully. From these bases helicopters could be operated, as well as destroyers and this small marine corps I have suggested. If bases were set up in time of emergency by an enemy such as the Soviet, then we could deal with them even if our air force were hampered by weather conditions.

I have only one or two more remarks to make in connection with this question of using helicopters. Helicopters do not need to operate from an aircraft carrier. They can operate from small, cheaply constructed ships. I think the minister should consider the advisability of constructing quite a number of small ships that could carry three or four helicopters, whatever number is considered necessary, and these ships could be used in defence of our Atlantic coast, on Hudson bay and in other waters. They could be anchored in inlets and used as permanent bases, and when necessary could be used at sea to check up on submarines. The helicopter has a great advantage, and is far less costly when compared to a destroyer. These small ships could be cheaply constructed and would not be anything like the expense of an aircraft carrier.

I think that is something that should be considered. I know it is an unorthodox idea, but when you have certain specific conditions with which to deal, as we have in this country, some unorthodox ideas should be considered. It may be that they will not work, but they should be considered.

The other question concerns these 25 destroyer escorts that we will ultimately have. No doubt the government considers that they should be added but in my opinion the day of the convoy, as we knew it in the last war, is gone. Any large concentration of ships would be a prize target for any kind of thermonuclear bomb. Any convoy work would have to be done on the dispersal principle. I have no doubt that has been considered. In view of the great expense of these new destroyers, I understand nearly $18 million each, some other method may have to be used to help protect the sea lanes. As

I have already suggested here helicopters, based on small, cheaply constructed ships, might be considered.

In closing, Mr. Chairman—I want to say that I appreciate the indulgence of the committee for these extra few minutes—I come to this question of manpower. The navy, of all the services, has come closest to reaching its objective. In the white paper there is some reference to the fact that they have had to kick out some members of the naval service as they have not been suitable. I think it may be possible to get more suitable men in our navy by the use of a better method of selling the navy to the public. People should be proud to join the navy. In my opinion it is the finest of the three services. The other two come close, mind you, but of all the services I think the navy is the finest. It should be pointed out to our young people that the navy offers a fine opportunity. I think possibly there should be a better method of selling the navy to these young people.

I do not wish to make any remarks about morale or conditions of service. I do not think any hon. member has a right to do this unless he has had an opportunity of going through the naval establishments or spending some time at sea. I am not prepared to do so because I have not had that chance. However, in closing I would say to the minister that possibly next year some hon. members on this side of the house might be given an opportunity of visiting naval ships or perhaps taking a few days' cruise on one of them so they can see exactly how the navy is operated. I hope to be able to do so myself, and I am looking forward to it.

With these suggestions I close my remarks, and I shall be waiting with interest to hear the answers the minister may give to some of the questions I have put to him.

Item stands.

Progress reported.

PRIVILEGE

MR. LOW—REFERENCE TO REMARKS IN DEBATE THIS DAY

Mr. Solon E. Low (Peace River): Mr. Speaker, I would crave the indulgence of the house for just one or two minutes in order to raise a question of privilege. In the course of my remarks this afternoon I quoted a statement reported to have been made by the Prime Minister as he toured the east in 1954. My attention has been drawn since to a correction which the Prime Minister made in this house on March 25, 1954, and carried at page 3332 of *Hansard* for that date.

I think it is only right, in view of the fact that the Prime Minister did make a correction and I had either forgotten about it or it had not been drawn to my attention, to put it on the record. I would not wish to wilfully do an injustice to the Prime Minister or any man and for that reason, if you will allow me, I should like to read these two or three paragraphs. The Prime Minister said:

> There is one thing, however, about which I do feel quite sure that there was an inaccuracy. There was one report that I had said that I was sure we would have to recognize the present government of China as the government the people of China wanted. I feel quite sure I never would use those words intentionally because I never had that feeling about the present government of China. But I must have used some words almost like them since so many of these reporters have come out with that as their version of what they heard and understood, that I felt we would have to be realistic and recognize the government of China "as the government the people wanted".
>
> I should not have said "the government the people wanted". What I had in mind was that, in spite of our dislike of any form of communist or totalitarian government, we could not expect to have to deal with the kind of government, representing the people on the other side, we would like them to have, the kind of government we would want them to have, but that we would have to deal with the government they had as a matter of fact, the government that was in control of the forces that were participating in the happenings that were causing such tension and such anxiety in the international field. That is what I meant. That is what I should have said in words that could not be mistaken or interpreted in any other way because I think that with such a statement there would have been little or no concern and little, if any, controversy about it in this country or anywhere else.

If I did any injustice to the Prime Minister this afternoon, I apologize for so doing and I hope this will correct it.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this tomorrow.

It being ten minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

Questions

ANSWERS TO QUESTIONS

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

INVALIDS' PENSIONS

Question No. 459—**Mr. Van Horne:**

What action, if any, has been taken by the government to make invalids' pensions available to persons who, because of invalidity, are prevented from being employed in their normal or usual occupation?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

The Disabled Persons Act provides for the payment of allowances to persons who are totally and permanently disabled, as prescribed by the regulations under the act.

The purpose of the act has never been to provide pensions to persons who because of invalidity are prevented from being employed in their normal or usual occupations. The scope of the legislation was determined, prior to its introduction in parliament, in joint conference and consultation with the provinces who did not at the time and do not now generally favour the establishment of eligibility for pension on the grounds of unemployability. The scope of coverage provided under this legislation is generally comparable to that provided under the two provincial laws (Ontario and Alberta) which preceded it.

Any future changes and modifications in coverage will depend on conference and consultations with the provinces.

DEPARTMENT OF AGRICULTURE—AUTOMOBILE TRAVELLING EXPENSES

Question No. 468—**Mr. Pallett:**

What is the average per mile expense paid to employees of the Department of Agriculture for automobile travel while travelling on departmental business?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

9·59 cents per mile, based on expenditures for fiscal year 1955-56.

NAVAL MAGAZINE, ROCKY POINT, B.C.—CIVIL SERVICE STATISTICS

Question No. 523—**Mr. Pearkes:**

1. How many civil servants are at present employed at the Royal Canadian naval magazine at Rocky Point, British Columbia?
2. What are the classifications held by these persons, and how many persons are employed in each classification?
3. What salaries are paid in the various classifications?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1. 74.

2 and 3:

Classifications	No. of Employees	Salary Ranges
Technical officer 5 ..	1	$5670-6120
Technical officer 3 ..	1	4710-5310
Technician 3	3	4410-4860
Technician 2	4	4050-4500
Technician 1	9	3480-4080
Firefighter captain .	1	3600-4200
Firefighter lieutenant	3	3150-3720
Firefighter	18	2860-3360
Clerk of works 4 ...	1	4500-4950
Cleaner and helper .	5	2400-2760
Stationary engineer (H or P) 2	1	3480-3780
Stationary engineer (H or P) 1	4	2940-3360
Storeman 1	1	2700-3060
Stores assistant 1 ..	1	1620-2070
Clerk 4	2	3300-3720
Clerk 3	3	2940-3360
Clerk 2B	4	2610-2970
Clerk 2A	8	1950-2550
Typist 2	3	1950-2760
Graduate nurse	1	2430-3120

ILO CONFERENCES—CANADIAN REPRESENTATION BY U.S. CITIZENS

Question No. 525—**Mr. Herridge:**

1. Did any United States citizens represent Canada at conferences of the international labour organization, or any agency thereof, since January 1, 1950 to date?
2. If so, what are their names?
3. Were their expenses paid by the federal government? If so, what was the total amount in each case for this period?

Answer by: **Hon. Milton F. Gregg (Minister of Labour):**

1. Employer and labour delegates and their advisers attending conferences of the international labour organization or other meetings held under its auspices are nominated by the representative national organizations of employers and labour. It has been the policy of the Department of Labour to approve nominations so made. The department is informed that two persons nominated by their respective organizations since 1950 were, at the time of their nomination, citizens of the United States.

2. These were Mr. Clyde E. Shumaker, nominated by the Canadian Manufacturers Association to attend the thirty-sixth ILO conference in 1953 and the thirty-ninth ILO conference in 1956; and Mr. H. C. Banks nominated by the Trades and Labour Congress of Canada to attend the meeting of the ILO industrial committee on inland transport, held in Geneva, February, 1954.

3. Clyde E. Shumaker
   1953-54—$1,496.13, paid by the Department of Labour.
   Hal. C. Banks
   1953-54—paid by the international labour organization.

HOUSE OF COMMONS

Thursday, June 21, 1956

The house met at 2.30 p.m.

LIBRARY OF PARLIAMENT

APPROVAL OF REPORT OF CIVIL SERVICE COMMISSION

Hon. W. E. Harris (Minister of Finance) moved:

That the report of the civil service commission respecting the position of librarian 5, library of parliament, laid upon the table of the house June 18, 1956, be now approved.

Motion agreed to.

HOUSING

MORTGAGE MONEY—REQUEST FOR STATEMENT OF POLICY ON ALLEGED SHORTAGE

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, in view of an article appearing in this morning's *Globe and Mail* to the effect that the supply of mortgage money from chartered banks and insurance companies for National Housing Act financing of new houses has almost vanished across Canada, with millions of dollars' worth of applications being returned unapproved in recent weeks, that the worst hit are Ontario and Quebec, and that the builders describe the situation as bad and rapidly getting worse and that building may be at a standstill in Windsor and in the Toronto district, I would like to ask the Minister of Finance whether this tight-money policy announced by Mr. Coyne of the Bank of Canada is the considered policy of this government?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I think I answered on a previous occasion that I was informed of the increase in the discount rate which took place on, I think, April 4. The other features involved in the article referred to have to do with banking practice of the chartered banks.

Mr. Rowe: I should like to ask a supplementary question. In view of the fact that this increase was ordered by the Bank of Canada, have the Minister of Finance and the government abdicated their fiscal responsibilities to the governor of the Bank of Canada?

Mr. Harris: No, Mr. Speaker.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of the last answer may I ask the minister whether or not there is any foundation for the press release of two days ago to the effect that within the next three or four weeks, or possibly in about six weeks, there will be a reduction in interest rates in the Bank of Canada? In order to relieve the situation to which reference was made by the hon. member who asked the question, what consideration is being given to meet this situation by bringing about a reduction in interest rates?

Mr. Harris: Well, Mr. Speaker, first of all there is no basis for the newspaper speculation that a reduction might occur; that is not to say that it would not, however. These matters are never forecast; they are only announced when they occur.

As to what the government is doing, since this question arose—I think it was brought to our attention about ten days or two weeks ago—my colleague the Minister of Public Works (Mr. Winters) has been carefully considering the housing situation in Canada and we have been consulting with him and with the banks with respect to it. I understand, in addition to that, the hon. member for Parkdale (Mr. Hunter) has asked me to meet a delegation of the builders' association next Tuesday and we are looking forward to doing that for the purpose of finding out from their viewpoint how serious the situation may be in the city of Toronto. I presume there will also be representations from other parts of Canada.

I might also add, however, that I will be seeing the bankers' association tomorrow but nothing is to be read into that other than the statement that I am going to see them.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, on the same matter, in view of the fact that there is a policy of restriction of credit involved here as well as a policy of increased interest rates, is the government attempting any consultation through the Bank of Canada in this regard with a view to alleviating some of the undue restriction of credit which seems destined now to curtail house building so seriously?

Mr. Harris: Mr. Speaker, we are, of course, keeping a very careful watch on the results

of the policy and how it may be affecting particular groups of people and we shall continue to do so.

Mr. Diefenbaker: If I may carry on, Mr. Speaker, in view of the answer given by the Minister of Finance, I would ask him whether or not he has received representations from Regina and Saskatoon respecting the serious situation created for housing by the rise in interest rates and whether, in view of the latter words in his answer given a few minutes ago to the effect that he is going to meet with the builders' association and the bankers' association, he can hold out a little hope that there will be a reduction?

Mr. Harris: I said before that I merely made the bald statement I was going to meet with them. In answer to the previous question, I did not receive any representations from either Regina or Saskatoon. The only representations I received were from the city of Toronto and those the hon. member for Oxford (Mr. Nesbitt) sent me.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of the seriousness of this situation, will he consider arranging for an early discussion of the matter here in the House of Commons so that the views of hon. members may be communicated to the government?

May I also ask him if when he meets with the bankers' association and others he will give consideration to the changing of the government's policy from one of general credit control to one of selective credit control in order that such credit as is available might be made available for the building of homes?

Mr. Harris: Mr. Speaker, my colleague the Minister of National Health and Welfare (Mr. Martin) reminds me that he and the hon. member for Essex West (Mr. Brown) did forward to me representations with respect to the city of Windsor.

In answer to the hon. member for Winnipeg North Centre (Mr. Knowles), may I say that we would of course consider other questions that might affect the economy. Whether or not a general or a particular form of credit control would be desirable will be considered from day to day. I do not think I should go further than that except to say that I shall consult with my colleague the Minister of Public Works (Mr. Winters) with respect to the debate my hon. friend wishes to have.

Mr. Knowles: May I ask a further supplementary question. Is the Minister of Finance aware that under the general credit control policy of the government money is available for speculative investment but not for the building of homes?

[Mr. Harris.]

Mr. Harris: I would not want to admit that at the moment.

Mr. Knowles: It is true nevertheless.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Finance whether he would care to clarify what he said a few moments ago, that he had become aware of this shortage or apparent shortage only a few weeks ago. On January 19 the Minister of Public Works (Mr. Winters) in replying to a question said that there was no indication by prospective borrowers that there was going to be a shortage. Was it only a few weeks ago that the minister became aware of a shortage?

Mr. Harris: I think I can correctly say it was only about two weeks ago that I personally was informed of the difficulties.

Mr. Knowles: Where has the minister been?

GRAIN

WHEAT—INQUIRY AS TO ALLOCATION, MOVEMENT AND SHORTAGES OF BOX CARS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is the minister aware that a considerable number of box cars loaded with grain are sitting on prairie sidings? Why are they not being moved forward to ports or terminal storage? When will they be moved?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I was not aware that there were loaded grain cars sitting on sidings. I am aware that deliveries to terminals are running at a record rate and I am aware that movements for the past two months and for the current month are assuming record proportions. I can only assume that if the cars are sitting on sidings they are waiting for motive power to pick them up or they are waiting for their position in a schedule which corresponds with the capacity to unload at the terminals.

Mr. Harkness: I think perhaps I should ask the minister to look into this matter because I saw a considerable number of cars which I was told had been sitting there for quite a long time.

An hon. Member: Idle rumour.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should also like to ask a question of the Minister of Trade and Commerce in connection with the shortage of freight cars, particularly on Canadian Pacific lines. Without prefacing my remarks by saying what is the situation I would ask the minister what

is being done—I read his statement yesterday—to correct what is almost a blight as against Canadian Pacific lines and the farmers on those lines. What is being done to assure at least a reasonably fair distribution of cars in those areas served by the Canadian Pacific? I saw it myself during the past few days and I know what is the situation.

Mr. Sinclair: The Canadian National are doing a good job.

Mr. Howe (Port Arthur): I announced earlier in the session that it would be impossible to follow the policy of last year in maintaining uniform deliveries at all country elevator points. I pointed out that this is an exceptional year in the movement of grain out of Canada and the only way to take full advantage of it is to move to terminals the type of grain for which there is a ready sale. That policy has been followed and at the moment a very definite effort is being made to bring points which now have a low quota up to the average quota for the three prairie provinces.

I am aware, as I said yesterday, that the Canadian National have moved a considerably greater proportion of the grain on their lines to terminals than has the Canadian Pacific. In the light of that fact, arrangements are being made so that the farmer who formerly delivered to a Canadian Pacific point and who is within trucking distance of a Canadian National point will have the option of delivering to alternate delivery points. In other words, if there is a low quota on the Canadian Pacific point and a high quota on the Canadian National point within trucking distance, the farmer may deliver to the high quota point.

This is one step that is being taken. As far as Canadian Pacific lines are concerned, every effort is being made to favour the low quota points. I am hopeful that there will be a definite improvement before the end of the crop year.

It is touch and go to keep the right kind of grain at ocean terminals. Boats are arriving in great numbers and they are arriving out of order. We may plan on loading No. 2 northern the following week, and perhaps No. 5 northern boats that had been expected earlier will suddenly arrive and we must have that grade of grain as well. It is a tremendous job, and I should mention the fine work of the transport controller in that connection. To date, whilst there has been some small amount of demurrage paid, he has succeeded very well indeed in having the kind of grain in hand that the boats require. But we have a situation on the lower St. Lawrence today that there is not enough grain in the elevators to take care of one week's loadings. In other words, we are unloading canalers to provide grain needed to load waiting ocean boats. Whilst we have not the same situation on the west coast, there it is quite a problem of having adequate stocks of the grades required to fill the ocean boats.

I think my hon. friend would agree with me that in a year like this the principal objective must be to deliver grain to our overseas customers in the largest possible quantities. If we are not able to even out the deliveries at every country elevator, we can compensate after August 1, for this abnormal movement promises to continue. We shall try to see that in the long run every producer gets an even break.

Mr. Diefenbaker: That suggestion that farmers on C.P.R. lines will be able to market at C.N.R. marketing agencies or local elevators will be helpful. I ask the minister also whether there is any available storage space at Churchill today. What is the situation there? If there is available space, has consideration been given to allowing wheat to be stored, at the moment not to be marketable —the grades that are not desired at the moment—at Churchill, particularly from C.P.R. lines which up to the present have been closed?

Mr. Howe (Port Arthur): Churchill is filled to capacity. It was filled to capacity last fall. The season there will open about the middle of July, and that additional movement will be helpful, and at that time we can favour C.P.R. delivery points to some extent.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO AMOUNTS ADVANCED TO DATE

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Is the Minister of Trade and Commerce able to inform the house what amount has been advanced to Trans-Canada Pipe Lines up to this date by Northern Ontario Pipe Line Crown Corporation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The amount of money advanced by the crown?

Mr. Hamilton (Notre Dame de Grace): The amount of money advanced by the crown corporation up to this date.

Mr. Howe (Port Arthur): I cannot give that information. I shall be glad to look into the matter and give it to my hon. friend tomorrow, if any money has been paid.

Mr. Hamilton (Notre Dame de Grace): Is the minister able to tell us how much money has been advanced to the crown corporation by the crown?

Mr. Howe (Port Arthur): No, I cannot say that. I do not remember the figure, but I shall look into it and give the answer tomorrow.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

235. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $143,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,470,423,461 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,675,484,744 will come due for payment in future years), $1,722,797,717.

Mr. Gillis: Mr. Chairman, I am sure that every member of the house who has read the white paper and realizes the importance of this debate wants to say something in the debate, and I am no exception. So far as information is concerned, the white paper leaves much to be desired. Practically all members of the house are in the position of having very little personal knowledge of defence matters or whether the money is being spent judiciously or otherwise. Of course, the Minister of National Defence, who presides over the three defence branches, is also in the position where he must accept the information given to him by the heads of the different branches. He is not in a very much better position than we are when it comes to analysing the expenditures that are made and the value we are receiving for the money spent.

I know that the minister has three very efficient deputy ministers. I have done business with all three and they are very courteous, fast in their work, and will give you any information you are looking for within reason. But at the same time I have always been of the opinion that one of the main needs of the defence department and one of the greatest assets that the Minister of National Defence could have is a continuing defence committee of the House of Commons. They have one in Britain and they also have one in the United States. In my opinion, whoever opposes the idea is doing the Minister of National Defence a disservice. In this house there are approximately 100 members who are ex-servicemen, army, navy and air force, and they could be very helpful to the minister if we had a continuing committee before which the heads of the departments could be called, in camera, if necessary, in order that we might get all the information they could give with respect to defence spending, obsolescence of equipment, progress in the future and so forth. I think even the fact that such a committee existed would be a deterrent to those in the different branches of the department who might be inclined to spend recklessly. In my opinion the fact that there was a committee before which they could be called would act as a very useful brake, and I think the opinions of members of the house with experience in the services would be valuable to the Minister of National Defence.

I do not visualize the committee as a committee to get information for propaganda purposes or to make political capital. I visualize the committee as a responsible committee, one that would realize the implications of the international situation and whose members would use whatever knowledge they had for the purpose of assisting the defence department in the best interests of the country. I believe the cabinet should give serious consideration to the matter.

Of course, in 30 minutes one cannot go over the whole white paper, but in reading it it seems to me that the greatest difficulty facing the defence department today is manpower. I think that is pretty well pointed up on page 19 of the white paper, and I should like to refer to paragraphs 59, 60 and 61 where I find the following:

59. During 1955 the R.C.N. enrolled 3,088 officers and other ranks and wastage totalled 2,671. . . .

60. The army's total enrolments last year were 5,937; and net wastage, 8,222. . . .

61. During 1955 the R.C.A.F. enrolled 8,153 officers and other ranks and wastage totalled 6,573.

I am sure the minister will agree with me that a system of enlistment or induction where the total enrolment for the year is fairly well offset by the wastage leaves much to be desired. To me it indicates that there is something wrong with the examinations and the aptitude tests that are given when these people are taken into the services. In the three services—army, navy and air force—your total enlistment was almost offset by your wastage or people

that are going out. I therefore believe that the government is going to be obliged to take a straight look at this question of manpower.

Comparisons are made all the time with respect to the progress made in the Soviet union, and it is closely related to this question of manpower. Of course, being a dictatorial set-up, the Soviet union call people in, set the courses and the period of enlistment, and I will wager that there is not much wastage in their forces. If we are going to take the Soviet union as the yardstick on the question of manpower and on other questions, we must rethink this whole question through as to how we are to be able to meet the efficiency of a country where two or three men make the decisions from which there is no appeal, where you do what you are told and where decisions can be made fast. That is the question we must face in the future and there must be a great deal of rethinking on the whole subject. As indicated by the white paper, I think this question of manpower is a fairly serious one. Of course, we must not forget the recommendations being made by General Simonds right across the country to the Legion and so on. Maybe he has something. However, I just want to leave with the minister the thought that he has on his hands a fairly acute manpower problem with respect to keeping the services up.

On the other hand there is a great deal of thinking we must do with respect to this whole international situation. We send visitors from Canada over to the Soviet union, including Mr. Duncan and others. They come back here and they write pamphlets and deliver lectures in which they point up the efficiency of the Soviet system, the progress they are making in the air, with respect to guided missiles, up-to-date planes and all that kind of thing. As I said before, if the Soviet union is to be taken as the yardstick in these things and if we are to be expected to compete, these people who are making these speeches and writing these pamphlets must go all the way with it. The apparatus of the Soviet union controls everything in the country. All of the profits of industry, agriculture and everything else in that country go to the state. Three or four men can blueprint what is going to be done and make the decisions, and they have the money to spend. The thing that Mr. Duncan and these other people are not telling us is that in the Soviet union the profits that go to industry in this country are available for distribution in the field of the development of armaments, social services, and all of these things. If we are going to take the Soviet union as a yardstick and are going to try to keep up with them in the field of efficiency, then much of the profits that go into the coffers of industry in this country must be used for the purposes for which the Soviet union is using them. That is the thing they are not telling us, and that is the difference.

With respect to this question of war, may I say this. For the last three years I have been personally convinced that there is not much danger with respect to a global war. First, I am sure the United States will never start it and I am reasonably sure we will not and Britain will not, but we have to keep our guard. My belief is that the Soviet union is more afraid of war today than the western world, and she is afraid of it for this reason. The Soviet union has extended far and has taken over many countries. She has taken over the whole of Europe right into East Germany and she is tangled up with the Orient; she is mixing in with the Middle East. Today, the Soviet union is like the fly that captured the flypaper; she is there and she is stuck on it. She has to police and maintain armies in all of those satellite countries. I am reasonably sure—and I am sure she is sure—that if an over-all shooting war started tomorrow the same machinery would be underground in those captive countries that was there when Hitler subjugated them. A shooting war tomorrow would cause a revolution right from East Germany back into the Ukraine. I am sure she realizes that and she does not want a shooting war.

I believe the new look in Russia is a new policy. I do not believe it is a tactic this time. I believe we should recognize the fact that an over-all global war would mean a counter revolution as far as Russia is concerned, which might spread right through the whole of that country. That is the reason for the change from the cult of the individual to the collective administration that Bulganin and Khrushchev are setting up today. I am reasonably sure of that but, on the other hand, there is a new war and it is a trade war.

The Soviet union realizes that if she is to survive there can be no shooting war. She is doing her best to offset that at the present time. I believe her efforts for peace are legitimate and she means it. I believe she thinks—and I think she is on sound ground —that if she can put over this program of peaceful coexistence and go into a trade war with the west and use the weapons of economic development, mutual aid and social change, in time she is going to be able to beat us in that field unless we recognize the fact that we have to get into that field and match wits with her.

I do not believe in this business of giving away the resources of the country to other countries on a relief basis. I do not believe you can buy friends in that way. I do not believe that aid to any of the countries, including countries under the Colombo plan, if we are giving it away, is going to do us any good. I think the main question in the countries to whom we are giving aid is one of self-determination. I think that is the one disturbing factor in the world today. The whole continent of Africa is uprooted. Do not forget, it is not a new thing. The prejudice is there and it goes back for hundreds of years. They want to run their own show. The same thing is true in Algeria. That question is 125 years old and it is not going to be settled with guns. That is another point of unrest. It is true in Israel and in the Arab countries. That is another see-saw thing that will have to be settled. The giving of stuff to these people, in my judgment, is not going to buy the settlement; it is not going to buy them any more than it bought Tito. Today he has gone back to his blood brothers. I am not objecting to it. He has the right to make that decision. The fact that the west made loans to him and was good to him during his period of trial did not make any difference.

I believe the question of self-determination has to be settled. On the question of mutual aid, if those people want aid from us or from the United States, let them make application for it and it should be given on a basis of either a loan or an investment, and they should be allowed to run their own show in their own countries.

Of course, we have to continue our defence spending. One of the reasons why I should like to see a defence committee established is that we might be able to iron out those difficulties in that committee and send the collective judgment of a large group from this house back to the heads of the defence department. It would do the heads of the defence department good to talk to the members; it would do us good to talk to them. We would get much valuable information and when the minister's estimates came before the house next time perhaps that information would place us in the position where we in this house would be helping the minister to put over a program that we knew something about.

I am not going to speak at length on this particular problem, Mr. Chairman. I merely wanted to express these three or four points that I have made. Before I sit down I urge the minister to give consideration to the setting up of a parliamentary defence committee on a permanent basis with liberal terms of reference and with powers to compel the attendance of responsible officials. At this very moment a United States senate committee has powers to compel responsible officials to testify and it is conducting a comprehensive investigation into certain aspects of the United States defence program. The Canadian parliament has always been denied this right despite the billions that have been spent for defence purposes. I know for at least four years on end previous to the minister's taking over, the Leader of the Opposition and I were two members of the house who hammered on this question of a continuing defence committee, and I think it would be one of the most valuable assets of the minister's department.

I am not going to go into the question of weapons. I do not think any of us knows too much about it, but I will say this. A plane on the assembly line today is obsolescent before it is off the line. That has been the history of development in the air.

Another point I should like to make is that Canada has not the kind of money needed to match an arms race with the United States and the Soviet union. We just do not have that kind of money, and that arms race is going to go on and on. The Soviet union does not have to tax its people for it. It takes over wealth-producing industry in the country and applies whatever comes out of it to whatever it needs in the country. The United States is a huge, rich country. It has a lot of money but it is finding it difficult today to keep up with the expenditures made in the Soviet union in keeping equipment up to date. Perhaps we wasted a lot of money in building the D.E.W. line and the other apparatus that is supposed to warn us when planes come over. If you believe what you read in the press—and the white paper commented on it—it will be a push-button war. Planes will not come over. They will push a button and a guided missile will come across and land wherever they want it to land. Therefore, we may be wasting a lot of money in the development of interceptors, and so forth, because you are not going to intercept those missiles. They go above the stratosphere and appear from nowhere; you hear a bang and that is it. However, I think the white paper itself indicates, in so far as this country is in a position to do so, that the defence department is aware of what is going on. They set out all of the new techniques and all of the new equipment, and we are attempting to match it as best we can. But, as I said before, we do not have the kind of money needed to match an arms race with the United States and with the Soviet union.

I know we cannot change what is in the book. The money has been spent. We are

going to spend so much next year. The government is going to do it with certain techniques and on certain strategic projects and that kind of thing. This house has not enough information to be able to argue about it or make recommendations concerning it but there are two things I would like the minister to think about arising out of this debate.

First of all there is the question of manpower and wastage in the methods employed in bringing people into the services. That wastage clearly indicates there is something wrong with the examinations; maybe it is a rush to get people but we must not forget we are getting our people on a voluntary basis. In the United States there is a draft board and when your number is up you simply go. There is no exemption for baseball players, boxers or hockey players. You simply go in and do your bit in the defence of the country. In the Soviet union they do not even draft their men, they simply shovel them in and then select them and when you are selected for a position it is a case of doing it or else. There is no wastage there. The defence department in this country is faced with the problem of having to send teams out to travel across the country recruiting people on a voluntary basis. By and large the people we are getting in the services are those who are unemployed. There are not many who are vacating attractive jobs and going into the services.

Mr. Byrne: Oh no?

Mr. Gillis: The hon. member for Kootenay East says, "Oh no". How many are leaving the mines out in your riding to go into the services?

Mr. Byrne: Lots of them.

Mr. Gillis: Not too many. We are getting our young officers from the universities and I might say to the minister that the officers' training course is an excellent way for young men to get university training. These boys are going through university and are being paid for it and at the same time they are receiving military training. They either stay in the regular forces or are potential material for the regular forces if and when they are needed. I am talking about the rank and file of the army, navy and air force. I think the air force does a splendid job. There is an excellent and efficient set-up at the main induction centre down at St. Johns, Quebec, and there is an excellent weeding out process. As the minister knows, young men go in there and take the basic training and write their aptitude tests. I think they have to write about 12 different tests during the two months they are there, and when the tests are completed it is possible to decide where the young men should go, whether it be to the air crew, maintenance or the electronics field. In other words, no square pegs are being put in round holes; a very good job is being done there.

There was a considerable wastage last year however, as the minister knows, and I think it is due to the fact that when they go in most of the boys have never done much work. They are just not physically able to take the kind of training they are required to take during the first couple of months of their basic training, which is pretty tough.

I would like to see the minister make some pronouncement about a continuing defence committee. I think that is something that must be done. We should take advantage of the large number of ex-servicemen in this house and establish the kind of machinery that can scrutinize not only the expenditures that are being made but also the methods employed in building up the services. As I frequently pointed out to the Hon. Brooke Claxton when he was here, I think he made a big mistake when he did not enlist the support, aid and advice of the hon. members of this house who are available for a committee of that kind. I think it would be one of the biggest assets of the Minister of National Defence.

That is all I have to say at the present time of a general nature. We may have some more picking on the minister to do when his estimates are before us.

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

Mr. Gillis: Yes.

Mr. McIvor: Does this manpower question lead up to conscription and are you in favour of it?

Mr. Gillis: Well, Mr. Chairman, in reply to the hon. member for Fort William I would say, first of all, I do not make the laws and it would not make any difference what I thought about it. I mentioned the wastage of manpower and the difficulties encountered in building the services up and the fact that General Simonds was selling the idea of a selective service across the country to the legion branches. Now, whether or not I am in favour of it is not pertinent to the discussion at the present time, but if that question ever comes before this house I will state emphatically where I stand on it.

Mr. Blair: Attaboy.

Mr. Brooks: Very good.

Mr. Drew: Mr. Chairman, this is the first opportunity we have had during the present session to discuss the most important subject

that will come before the house both from the point of view of the amount of money involved and also from the point of view of the purpose for which the money is being raised.

The statement made by the minister yesterday added very little to the white paper. The white paper has been very correctly described editorially as a paper which says nothing. It says it in good English and in good French, depending on which of the two publications one reads, but the fact remains that as for stating a policy for Canada at this time the white paper might just as well have been brought out of the records of several years ago.

It is difficult to believe we are now called upon to discuss national defence in the atmosphere in which it has been presented by the minister. Just in these past few months sweeping reorganizations have been announced in Britain and in the United States as well as in Russia. In fact, there have been two stages of substantial reorganization mentioned in Britain in the last six months. First came the white paper on December 21 last when a very frank appraisal of the situation was made and a general reassessment of the role of certain branches of the services was presented to the House of Commons and the people of Britain. Then came sweeping changes in the United States to be followed by still further adjustments based upon the extended inquiries that have taken place there. The Soviet union reduced the number of divisions and streamlined its force generally with a recognition of the modern concept of war which has emerged from the thermonuclear age.

There is little here to suggest that we are preparing ourselves for the kind of war with which we would be confronted if that war should come. God forbid that it should ever come. No one is under any misapprehension as to the horror that would accompany a large-scale war under present conditions. The dreadful fact remains, however, that these preparations are made with a realization and recognition that there could be war. It is, of course, correct to say that what is being done here, as in other free nations, is to seek to build military strength in a way that will prevent a general outbreak. That, however, does not get away from the fact that military preparation recognizes the possibility of war.

The estimates now before us call for an expenditure of $1,775 million. Further amounts probably will be added by the supplementary estimates which will be presented later. What have we before us to really tell us whether this money is being properly spent or otherwise? We really have nothing but bland assurances which were not substantiated by the detailed facts which would make it possible for us to pass judgment on this vitally important question. The Minister of National Defence (Mr. Campney) warned us against a possible tendency to give credence to the smiling assurances which we are receiving. I should like to read his words. They express the view of the government in regard to the present situation, and I quote from page 5209 of yesterday's *Hansard* as follows:

> To maintain the deterrent power of the free nations will not be an easy task, essential though it is to our survival. Paradoxically, as the existence of the deterrent continues to protect the peace, the continuance of that peace itself may tend to soften up the very deterrent force on which it depends, for it tends to give credibility to smiling assurances and friendly, folksy visits, all propagating the view that the day of world brotherhood has dawned at last, and suggesting that we can now safely set aside our defence programs, with their heavy costs, and concentrate on the much more pleasant task of raising our material standard of life.

Doubtless the statement that was made about the suggestion that we now disarm referred to a letter sent to the Canadian government by Premier Bulganin. I wonder if that was sent as a jest? I wonder what was the Canadian reply to the suggestion that we should disarm in the face of the massive forces possessed at this time by Russia. For a moment I was not certain what the minister was intending to imply when he spoke about giving credence to smiling assurances. What I think we should be on guard against is not only the smiling assurances from outside Canada but the smiling assurances from this government that all is well in our national defence preparations.

Let us examine what really are the facts. The only change of any significance that was mentioned yesterday was that the ten auxiliary squadrons of the Royal Canadian Air Force will no longer be part of our first line of defence. That probably is not very encouraging to units which had contemplated a role as part of the first line of defence. The reason for this decision is not made very clear, although the minister does say that the decision was reached reluctantly.

Let us see what has actually happened. Instead of ten auxiliary fighting squadrons which were intended to be part of the first line of defence in Canada and were intended, according to the statements made over and over again, to be equipped and trained for that purpose, we are now to have only six. One of the remaining four will undertake light transport duties. Another is to be used for the training of navigators. Another is

to be grounded and used for ground duties. The fourth is to be disbanded.

Instead of an increase in our air establishment this in fact means a decrease of four squadrons if the original intention of those auxiliary squadrons had actually been carried out. If special organizations were needed for the training purposes to which three of these four squadrons are now to be devoted those training units should have been organized for that purpose. It is true that the remaining six squadrons will be better equipped than they have been, but they are to be supplied with F-86s which are being withdrawn from first line use.

Why is this being done? This very question was dealt with on earlier occasions. The suggestion was made in earlier years that these auxiliary squadrons should be equipped with F-86s. I should like to read what the Minister of National Defence at that time said on April 15, 1953, as reported at page 3922 of *Hansard*. The Hon. Brooke Claxton, who was minister of national defence at that time, had the following to say by way of explanation as to why F-86s should not be supplied to these auxiliary squadrons:

> The CF-100 was designed for the defence of Canada, and the F-86E was not. While the F-86E is unquestionably the leading aircraft of its type in the world today, it by no means follows that that is the ideal type of aircraft for the kind of operation we envisage as being necessary to defend Canada in the next few years. The range of this aircraft is not great, it has not full instrumentation and does not carry a navigator. Consequently anyone familiar with flying conditions in our north country would recognize that, while the F-86E would give a good account of itself, the losses would be high due to the fact that it might not be able to get back to its base again.

The subject came up for discussion the following year and at that time the Minister of National Defence, as reported on page 4991 of *Hansard* of May 21, 1954, had this to say:

> There is another reason, and that is that these Sabre fighters are really not well suited for the air defence of Canada. They have a relatively short range, they have only one pilot; they have not a complete set of navigational instruments, and if they went into the air and got into a dogfight in Canada they might have great difficulty in getting back to their airfield. If we had our fighter defence in Canada staffed by Sabre fighters it would mean that we would have to have our airfields for fighter defence at least twice and probably three times as numerous as they are today because of the very much shorter range of the aircraft. Along with double or triple the number of airfields at present in existence we would have to have an increase in their attendant facilities, such as runways, oil tanks, hangars, married quarters, and everything else. An airfield costs about $30 million, and we would also have to double or triple the number of emergency landing fields.

If the Sabre fighters were not well suited for the air defence of Canada in 1954, what has changed the picture today? If the F-86 was not suitable for the service referred to, why should that be the aircraft supplied to the squadrons which are to receive it according to the statement handed out yesterday by the minister? In an informative statement given to the press covering the statement made here in the house the minister said:

> The Sabre aircraft which will be provided to 401 and 438 squadrons at Montreal, 400 and 411 squadrons at Toronto, and 442 and 443 squadrons at Vancouver will be the Mark 5. This aircraft is produced by Canadair Limited of Montreal, and has the Orenda jet engine. It is a high performance day fighter in the 600 m.p.h. class. It is expected that provision of the Sabres to the six auxiliary squadrons will begin late this year, and will extend through until next spring. The Sabres for the auxiliary will be flown back from the air division, where they are being replaced by the newer Mk 6s. All aircraft will be completely overhauled before being assigned to the auxiliary. In addition to the Sabres, these squadrons will receive an increase to the two T-33 jet trainers which they now have.

That statement by the Minister of National Defence indicates that aircraft which this house was informed in 1953 and 1954 were unsuitable for the service squadrons in Canada are now to be supplied under this new reorganization plan. Surely this present announcement indicates something of the confusion behind the announcements which have been made from time to time here in this House of Commons. In effect the minister says that squadrons which are not ready to take the air the moment an attack comes are going to be given aircraft which the Minister of National Defence who preceded him said were not suitable for the purpose for which they are to be employed. Then the minister said something else. The minister said that squadrons which are not ready to take the air the moment an attack comes will not get into active service. That in effect is what he said. In fact, his statement leaves the impression that those auxiliary squadrons are simply to supply the necessary replacement for the first line squadrons.

If that is so, then here is something that should be examined with the utmost care and in the utmost detail, and we should know what really lies behind this remarkable decision. Surely the Minister of National Defence is not making any suggestion that our over-all defence pattern is one that is ready for a full-scale war. He did say in his remarks yesterday that we were in a state of considerable readiness. These were his words, as recorded yesterday at page 5214 of *Hansard*:

> Until recent years, we have never in our history had standing forces in peace time in anything like the numbers we have today.

Then at another point in his remarks he said this, as recorded at page 5215 of *Hansard*:

> Our services are well trained, well equipped, well disciplined. In character, in training and in resolution we have I believe as high a quality of serviceman as any country in the world.

I do not think that any hon. member of this house is going to raise any question about the accuracy of those statements, as far as the morale and as far as the standard of the men in our armed forces are concerned. I have had the privilege, as have other hon. members, of visiting our air division in Europe. I have had the privilege of visiting our brigade in Germany. I have seen some of our naval units that visit other lands. Certainly we have every reason for pride in the young men and young women who are taking their part in those armed services. Our pride in their character, in their training, in their morale, should not, however, be used as an argument in any way to divert our attention from the basic considerations of organization, equipment and adequacy for the task in hand.

So far as the minister's statements are concerned, there is no evidence whatever of a truly Canadian concept of national defence related to the needs of defending this huge country of ours, the third largest country in the world, and at the same time accepting our share of the responsibilities under the United Nations and NATO.

There has been much public argument recently in regard to our defence forces. We have urged over and over again that the members of this house, through the proper channel of a committee of this House of Commons, be empowered to examine fully into this whole subject. I urged within a few days of the beginning of the present session that the whole question of national defence be referred to a committee of this house which would have power to call witnesses and to call for the production of documents and obtain other essential information. That request was flatly turned down. No explanation was given beyond the fact that the government had referred other matters to a committee on estimates.

Before I raised the question in this house, I had written to the Prime Minister, making that proposal. His answer simply was to the effect that the government had already decided upon the four departments that were to be referred to the committee on estimates. I made it clear then that the reference of the problems of national defence to the kind of muzzled committee on estimates with which this house has been provided would not in any way meet the situation. I pointed out that in Britain and in the United States, the two countries with which we are most closely associated in problems of national defence, they are able to call senior staff officers and others before committees of the House of Commons and of the houses of congress, which obtain the facts upon which the members can then form judgments which are related to reliable information.

On the one hand we are told that we, of necessity, must follow in large measure the course that is followed in the United States as well as in Britain. We on the one hand retain organizational structures closely related to the British organization, and on the other hand are swinging substantially to equipment of the United States pattern. But one thing that is remarkable about this government and about the Department of National Defence is the measure of secrecy which they seem to think is necessary for the department of defence, which admits, quite frankly in this case, that its role is relatively much smaller than that of the corresponding departments in the United States and in Britain.

If it is possible in Britain to call senior staff officers before a committee there, and if it is possible in the United States to call senior officers before a committee of congress in Washington and have the most searching examination of the facts, then surely it should be possible for us to have a similar inquiry here which would give the members information to which they are entitled and which they have the right to demand.

Why all this secrecy? It is not to prevent the enemy from obtaining information. It is to prevent the members of this house from having the information that they should have. I should hope that the members on the other side of the house would exercise a belated measure of individual freedom and make some demand that they have the right to this information, because we recognize that it would be extremely helpful to have some indication from members opposite that they supported a demand that all of us have the kind of information we should have.

Do not let anyone suggest that information is not fully obtained there. I have in my hands the recent reports of the subcommittee on the air force of the committee on armed services of the United States Senate. I am not going to read from these reports, but just so that there will be no doubt as to the standing of the officers who are brought before committees for the purpose of inquiry let me read the list of officers who appeared before the inquiry as reported in part I between April 16 and April 20 of this year. Those officers were General Omar N. Bradley, Admiral Robert B. Carney, General Walter

Bedell Smith, General Carl A. Spaatz. Then, in part II, covering April 25 to May 2, we find that the following officer appeared: General Curtis E. LeMay, commander in chief, strategic air command. He was accompanied by all his senior staff officers. In part III we find that General Earle E. Partridge, commander in chief, air defence command and continental air defence command, appeared. He was accompanied by his senior staff officers. In part IV we have the following officers who appeared: Lieutenant General Emmett O'Donnell, deputy chief of staff, personnel department of the air force. In part V for May 10, we find that Major General Lee B. Washbourne, assistant chief of staff, installations, appeared on that occasion. In part VI we find that Lieutenant General C. S. Irvine, deputy chief of staff, materiel, department of the air force, appeared, accompanied by his senior staff officers. In part VII we find that General Otto P. Weyland, commander, tactical air command, appeared, and he was accompanied by his senior staff officers.

These inquiries covered the period from April 10 to May 10, and in that time the most searching questions were asked these officers. In fact, there was hardly a single occasion when the plea of secrecy was raised in regard to the discussions as to the comparative strength of the United States air organization and the air organization of Russia. Not only that, but they discussed in the most exact detail the quality of aircraft, the development of guided missiles and other details of that kind. Similar hearings have been held with respect to the army and the navy.

There we have complete frankness, complete disclosure. The members of congress in Washington are going to make their decisions based upon knowledge and advice of senior officers fully equipped to express their opinions and to state the facts. All this has a direct relationship to the change that has come about as a result of the threat of thermonuclear war, to which reference has already been made by the Minister of National Defence. I want to quote two or three paragraphs from an article which appeared in *Fortune* magazine written by Charles J. V. Murphy with regard to the effect of this threat of thermonuclear war and the balance of terror created by the increased strength of Russia in this field. I do so because Mr. Murphy has been recognized ever since the early days of the second world war as one of the most competent military observers in the free nations. This is what he says in *Fortune* magazine for March of this year:

> The 1953 decision to concentrate U.S. military resources behind the nuclear deterrent has automatically decreed a new order of military priorities, the full effects of which are only now being felt. Overriding all others are the priorities attaching to the development of massive delivery systems capable of decisive retaliation and an air defence system capable of effectively checking the Soviet capacity for counter-retaliation. Because these two tasks by themselves make heavy demands upon the national pool of technical talent, not to mention the budget, all other military tasks are being progressively subordinated to them.
>
> How far that subordination has already progressed may be judged by the comparative budgetary allocations for the three services in fiscal 1957, which begins in July: for the air force $16·5 billion, for the navy $9·6 billion, for the army $8·6 billion. Thus the air force, as the all-but-exclusive deterrent agent, now costs almost as much as the other two services together. Thus the old 1:1:1 ratio of military budgeting, which gave rise to so much controversy in the late 1940's has been shattered beyond recognition.

That statement, Mr. Chairman, discloses a position in the United States similar on a proportionate basis in some substantial measure to what has been taking place here in Canada. Then Mr. Murphy, in a later article on the same subject that appeared in the May issue of the same magazine, had this to say:

> Now the big question is not merely whether still more money should be poured into the air force; rather it is whether, in light of the increasingly clear logic of the new weapons, the traditional roles and missions of the army and navy should not be radically redefined and the investment in them still further reduced. With the expanding deterrent sucking more and more technical manpower and money into its support, the question of how much can be spared for the traditional functions of the army and navy becomes increasingly urgent. For their separate dilemmas are caused in no small degree by the shift in emphasis from a strategy anticipating a long-drawn-out struggle across the face of the earth to one mustering resources for an overawing deterrent, which, should it fail to deter, would presumably win the first and decisive air phase.
>
> This is not to say that the Eisenhower administration has accepted the "30 to 90 day war" theory associated with the most extreme air force elements. While conceding that the opening air battle, if it should come, will rapidly determine eventual ascendancy, United States military policy also assumes that the course of battle thereafter is unpredictable and that extensive, if not decisive, ground and sea operations may well ensue. Nevertheless, the main United States bet already clearly rests on the first phase deterrent.

I have read this, Mr. Chairman, because there also emerges from this concept of the overwhelming importance of the air force the recognition of the fact that we must not minimize the importance of the navy and, above all, of the army, which in the end, even in a thermonuclear war, would be called upon to occupy and hold territory no matter how devastated that territory might be. As Mr. Murphy says in this article, the course of battle thereafter is unpredictable and it may be that ground and sea operations may well ensue. He leaves the very clear inference that we must not be forgetful of the

vital role played by the ground and sea forces in anything that may be done.

The minister has placed much emphasis upon the deterrent effect of a thermonuclear war. I think there is now general agreement in every country that the likelihood of the use of thermonuclear weapons decreases as the menace grows. Certainly only a madman would let loose thermonuclear weapons when the terror of retaliation is recognized. Today it is realized that if Russia started a thermonuclear war the retaliation would be so terrible that Russia itself would be devastated to an extent that, with whatever desires for aggression they may have, they would not lightly contemplate that prospect. The very scale of destruction which both sides now recognize as a possibility and reality will unquestionably exercise a substantial restraining influence. But, Mr. Chairman, that does not mean that there might not be war and serious war which did not involve thermonuclear weapons.

I think it is well for us to remind ourselves that during the second world war both sides possessed the most terrible poison gas, far more terrible than any which had ever been used at any time in warfare. Both sides could also have waged bacteriological war. Both had that dreadful equipment. God knows the war was terrible enough but both sides accepted the reality that gas and bacteria would not only destroy human beings but would completely disorganize ordinary domestic society on both sides to an extent that would be mutually destructive for generations to come. It is granted that the terror of poison gas and bacteria does not compare, in extent or horror, with the terror of thermonuclear war. Nevertheless there was a balance of terror in those fields.

We have actually seen the result of a balance of terror of that kind. The fear of retaliation kept those terrible weapons on the shelf. It did not prevent the most bloody, the most terrible and the most brutal war in all history waged as it was with conventional weapons. Is it not true that, under the dark clouds of a mutual fear of the hydrogen bomb, some nations might attempt ordinary wars with very serious consequences? In fact, we do not need to ask the question. Already some of them have done so. Russia did not hesitate to launch the attack in North Korea at a time when the United States had an enormous advantage in atomic weapons. Other local wars have been fought since that distant day in August 11 years ago when a new and dreadful era of warfare began.

Just as it was necesary for the members of the United Nations to make their contribution to a joint force to halt aggression in Korea, it could be necessary for conventional forces to be required at some other point under similar circumstances. We hope that situation will not occur. What happened in Korea and the promptness of the action there undoubtedly has been a very effective deterrent in many areas. The threat remains, however.

Only yesterday western observers were startled when they saw the great military parade in Egypt when the full extent of Russia's supply of weapons was disclosed to the western world. From what was seen there it is estimated that over a quarter of a billion dollars in weapons have been supplied by Russia to Egypt just in this past year. The observers on that occasion saw heavy tanks, the most modern aircraft and other equipment which indicates what is happening in Egypt as in some other areas where Russian equipment is being supplied. Who can possibly say what dangerous possibilities will arise from that continuing supply?

We know what the communists can do. We know what they have done. They have developed a new type of warfare. Surely it is recognized that nationalism alone is not behind the trouble in Africa and Asia which has reached such explosive proportions at different times during these past few years. Undoubtedly national aspirations in Algeria have much to do with the bloody fighting that is taking place there and that is occupying the attention of so many thousands of well-trained French forces which could be used very well elsewhere. But certain it is that, just as in Kenya and elsewhere, communist agents have been fanning the flames of nationalism and stirring up hatred and discontent. That is part of their military program. Nationalist forces in different countries, stimulated by communist propaganda and supplied with Russian weapons, may well become fifth columns such as those which destroyed freedom in the early days of the second world war. I am not now suggesting that there may not be a great deal of merit behind many of the arguments for the recognition of the nationalist aspirations of many of the peoples in those countries where nationalism has come to such a boiling point. But I do say—without any thought that the statement can be challenged—that communist agents in every one of those countries have been fanning the flames of discontent in every way they can. It is therefore a matter of concern to us when we see great supplies of arms going to any country where there is a known cause of possible disturbance, as there is in the Middle East today.

Mr. Chairman, all this involves a broad concept of defence which goes far beyond

weapons and which goes far beyond the ordinary functions of armed forces but which unites in a great co-ordinated effort all the activities of our military, diplomatic and other forces to combat this planned assault on freedom which is being carried out in this way by Russia at this time. The point I wish to make, however, is that in these areas conventional weapons are being supplied. If discontent were stimulated to a sufficient degree, there could be a repetition of what happened in Korea. Then the free nations might be confronted not with the immediate threat of a thermonuclear war but with the threat of a conventional war waged under the umbrella of thermonuclear danger.

We have urged that great effort be devoted to our air force. Over and over again we have urged that there be an organization of mobile hard-hitting forces available for service anywhere in Canada or throughout the world that they might be needed. But those mobile forces, no matter how new in form they might be, would require conventional arms. It is to be hoped that we shall not forget that just as we need a navy to defend us against the threat of the tremendous Russian submarine fleet, so we also need an efficient, well-organized army to meet the continuing danger of what may be regarded as a conventional war in which today Russia has the enormous advantage of by far the largest number of trained and equipped troops.

Mr. Chairman, we have been called upon to examine these estimates. The fact is that we have not been permitted to learn what really lies behind the figures. What are described as the details do not give us the real details. Above all, they do not give us what lies behind the details.

It is certain that if a major disturbance came suddenly upon us, it would be necessary to turn again, as we have in the past, to our militia forces. The statements made by the Minister of National Defence in regard to their state of readiness are simply without relation to reality at this time.

I have had the privilege of visiting many units across Canada, as have other hon. members in this house. I have been associated for a very long time with the activities of the militia in Canada. The work being done by volunteer officers, N.C.O.'s and men is splendid, but it would be dangerous folly to pretend that they are equipped either for quick mobilization or even as training centres for large numbers of men if a dreadful emergency arose. The fact is that, in spite of the billions of dollars we have spent in the six years since the Korean war, there is not a single militia unit in Canada fully equipped, even under the limited establishment laid down for these militia units. The infantry does not possess modern infantry weapons; the armoured forces do not possess modern armour; the artillery does not possess up to date military equipment. To deal just with the artillery to which I have referred, the Minister of National Defence yesterday spoke about the replacement of the 25-pounder by the 105 millimetre and of the 5·5 inch by the 155 millimetre. Mr. Chairman, that reference of the minister yesterday simply underlines the seriousness of the situation with which we are confronted. Large numbers of 25-pounders, with their equipment, have been withdrawn from our artillery units and they have not been replaced by the 105 millimetre. The same is true of the replacement of the 5·5. Our artillery units are not ready for mobilization; our artillery units are not ready to carry out effective training of the larger forces, as they should be, to fulfil their role. This is a situation which is merely a repetition of what occurred on earlier occasions, but on those earlier occasions we had not spent billions of dollars on national defence. We have been spending money on the scale of modern warfare and yet we have not even the basic equipment required for our militia units in this country at this time for their ordinary needs.

I mentioned before that at the beginning of this session I urged that there be a reference of the subject to a committee on national defence. At a later time I urgently requested the reference of the whole problem of national defence to a select committee on national defence. I explained at that time that a standing committee would automatically have the right to call witnesses, to obtain information, and to call for the production of documents, just as do the committees in London and in Washington. Surely, if one thing is clear above all else at this time it is that such a standing committee should be operating at this time so that we could actually get the facts lying behind these bald figures which are presented to us. After all, if it is justifiable to take nearly half of all the money collected in taxes from our people for national defence it should be their right, and it should be the right of their representatives, to know what the facts really are.

Yesterday, the Minister of National Defence quoted Clemenceau's famous words. I quote from what he said at page 5215 of *Hansard* as follows:

> It was, I believe, Clemenceau who said that war was too serious a matter to be left to the generals. The fact is, today, that it is far too complex and too technical a matter to be left to the amateurs—only professionally trained and experienced servicemen can cope quickly with the weapons and tactics of modern war.

To meet our commitments, both in creating the deterrent and in being able to react immediately if the deterrent fails, we must provide forces in being, completely trained, equipped and immediately ready.

Now, Mr. Chairman, that is a perfectly proper statement of the requirement, but that statement and that requirement are not met by the situation in this country today. The Minister of National Defence suggests that we need to rely on the experts on this occasion, but it appears that we are not in a position where the experts get a chance. Are the experts really being able to express their opinion? Well, it is a very interesting thing that one by one senior officers of the Canadian defence forces who have retired, and in their retirement have become free to speak, have spoken of the need for a complete reorganization of our defence forces, have spoken about the inadequacy of the present system and have spoken in the most urgent terms of the need for a re-examination of this whole subject. Only a short time ago General Macklin, until recently the adjutant general of Canada, had very strong statements to make. It is true that he is an officer who retired some time ago, but he has kept closely in touch with military affairs. General H. D. G. Crerar has also spoken of the needs of our armed forces and now, in the current issue of *Maclean's* magazine, there is an article by Lieutenant General Guy Simonds in regard to national defence. I want to read what is not merely a statement of opinion but is a cold statement of fact by a man who until recently was chief of the general staff. I quote from an article which is headed, "Canada's Defence Blunders":

What seems wholly inconsistent and anomalous is that the same Canadians who argue that Canadian military considerations are of negligible importance, seem perfectly willing and happy to maintain an expensive and disproportionately weighty overhead control, paralleling that of the great powers.

Because of this cumbersome system of direction, the responsible military chiefs of the three armed services are denied an opportunity to confront those responsible for political decisions with objective military advice and alternatives upon which decision must be made. Senior civil servants can, by deliberate and unwarranted stalling defeat the recommendations of the armed forces even though those recommendations have been approved by the cabinet. The organization of the defence department as a whole is cumbersome and lacks flexibility. To operate effectively in a major crisis it would have to undergo radical changes which would paralyze efficient operation at a time when it should develop its highest efficiency. The permanent joint board on defence acts as a barrier to direct contact between the Canadian and the United States chiefs of staff except on a person-to-person basis within individual services. The predilection of Canadian members of this joint board to experiment in the field of gadgetry has engineered decisions of doubtful military value, but very expensive in money.

That is the most serious indictment that could possibly be directed against this or any department of government, Mr. Chairman. What it really means is that the action of the government is not even being communicated to the proper officials under the system that has been set up. In other words, it is a case of the blind leading the blind.

Mr. Campney: Mr. Chairman, may I ask the hon. gentleman a question? I would like to ask him if he agrees with and approves of the quotation he has just read and of the views that have been so often expressed by General Simonds in regard to manpower and other elements of our defence?

Mr. Drew: Mr. Chairman, I am not giving blanket approval to this article; I disagree with many opinions expressed by General Simonds. That does not get away from the fact that it is not an expression of opinion; it is a statement of fact by a former chief of the general staff who was proclaimed as one of our leading soldiers by the present Minister of National Defence. When the minister asks me whether I approve I might well ask him whether he approves, in view of the almost blanket approval he gave publicly to the chief of the general staff at the time of his retirement. This, however, is a statement of fact with regard to administration. Now, I do not know whether or not it is a correct statement, but when the chief of the general staff—until quite recently a man who has been accepted by this government and others as an outstanding field officer—says in the June 23 issue of *Maclean's* magazine there is in effect a complete breakdown at the administrative level, I say we should have the opportunity to call General Simonds before a standing committee on defence and find out what the facts really are. I am not in a position to know whether that statement is correct. It is a statement of fact by the officer who held the senior position in the defence forces of Canada until comparatively recently. It is a statement of fact which I submit should be examined by the hon. members of this house in the only way it can be examined. I make more than a request, I make a demand on the Prime Minister, in the light of the importance of this subject, that now at this stage a standing committee on national defence be set up so that General Simonds and other senior officers can be called before that committee, and we might find out what the facts really are behind the veil of secrecy which surrounds the activities of the Department of National Defence at this time.

It was not only General Simonds who left the impression that all was not well. Surely we cannot without some knowledge of what

the facts are behind it pass over the statement of a man who was in the best position to know what the facts were, that senior civil servants can by deliberate and unwarranted stalling defeat the recommendations of the armed forces even though those recommendations have been approved by the cabinet.

Mr. Chairman, I think the Prime Minister should want a standing committee on national defence to inquire into that. I think the Prime Minister should want to know whether decisions of the cabinet are being stalled in the manner suggested by General Simonds in this recent article. I also think, in view of the very close relationship between the defence organization of Canada and the United States which has brought on to Canadian soil so many United States personnel in the air force and technical services and otherwise, we should be given the opportunity to learn what the facts really are in the only way we can do so, and that is by questions and answers from the man who made the statement. I think we should have the right to know if a paralysing barrier has been set up by the permanent joint board on defence. Who are the members of that joint board on defence? Who are the men who are, according to General Simonds, acting as a barrier to direct contact between the United States and the Canadian chiefs of staff? With all the interlocking relationships, there would be one of the most damning indictments that could be levelled against any official in Canada if it were true. I most certainly place a qualification on this. I say that with this statement before us we have the right to know what the facts are, and I repeat I should think the Prime Minister himself, without any prompting, would insist upon a standing committee on national defence being set up immediately to find out if the decisions of the cabinet of which he is the head are being disregarded and prevented in this way.

Nor was it only General Simonds who made these statements; other senior officers have made similar statements. General Macklin, speaking on March 27, made this statement:

> Canada needs a first-class army capable of competing with any potential enemy. We haven't got it. Our army in Europe, right under the guns, is ill-organized and ill-equipped, much like it was before world war II. Our army in Canada is likewise.

Those are the words of General Macklin, until recently the adjutant general of Canada, which he spoke publicly. There again is the kind of statement that calls for inquiry. Do not ask me if I support that statement. I am reading a statement made by one of those experts to whom the minister says he must look for his information and to whom he was looking until a short time ago. I want to know whether or not that is a correct statement. I should think the Prime Minister would also want to know. I believe the Prime Minister has a compelling duty to find out through the channels of a committee, and I believe we have a compelling duty to demand the right to know, and the only way we can is through an inquiry before a standing committee that will have full power to call witnesses and produce documents.

General Macklin, of course, went further and spoke about our Chinese-wall concept. He said we were building up a static defence concept that was entirely contrary to the real needs of our defence organization. That may be right or it may be wrong, but by the ordinary processes of inquiry such as have been taking place in London and Washington we have a right to demand that the procedure be adopted which will make it possible for us to know. Do not ask, "Do you accept those statements?" What I say is, these statements are made by the experts upon whom this minister and his predecessor were called upon to rely. They are made by experts who are now free to speak. They did not just form these opinions upon their resignation, I feel sure of that.

Then we also have the statement of General H. D. G. Crerar, the wartime commander of the Canadian army, who on March 16 described Canada's present army as an attractive show-window with nothing on the shelves or in the storerooms. Mr. Chairman, that is not the opinion of an untrained individual. That is the statement of a man with wide experience who has kept himself closely in touch with what is taking place.

Why are these things being done? Why, for the sake of argument, is this manpower situation being dealt with in the way it is? Do not ask me what the manpower need is. The government has it in its power to find out. It appointed a manpower committee years ago which has not been permitted to carry out the duties assigned to it. What is more, the government has just recently made a completely new appointment. At page 305 of the defence estimates will be found the appointment of a civilian superintendent of manpower. Mr. Chairman, in the name of all reason, why does the department of national defence need a civilian superintendent of manpower? If the minister is relying on the experts he has spoken about, why not have the ordinary military relationship between his department and those who are called upon to form their opinions? Do not ask us; we certainly are anxious to express our opinion based upon information but the government is denying

us the essential information. The government says that all is well, and will not even bring these officers before a committee to find out what these facts are when the most challenging and damning statements are made by men in whom this government placed every confidence until a short time ago.

In the face of these positive statements by senior Canadian officers, can there be any doubt that those opinions are shared by other senior officers now in the armed forces who are not free to speak? Let us call them in, too. The officers who appeared before the committee in Washington are now in most cases serving with the army, the air force and the navy. Let us have the present chief of staff; let us have staff officers from the air force, navy and the army; let us have senior experts before that committee to find out what they say. Then we will have the kind of discussion in regard to national defence which is in keeping with the importance of this subject at this time.

The minister has said that there is no finality on this subject. There can be no finality. However, we want to be brought up to date; we are not being brought up to date by this white paper or by the bland assurances which we got yesterday. We know perfectly well that everything is not as it should be. We know perfectly well that our militia units have not the equipment they should have. We know perfectly well that we have not the kind of armed forces in being that are needed for the critical situation such as the world faces today.

It would be better by far to reorganize our forces and have every unit a unit in being, whether it be a permanent unit or a militia unit, than to have units partially equipped and in the same position they were in at the beginning of the second world war when in some instances it was necessary to wait for a couple of years before they were able to equip them.

We have had our lesson. Let us be done with smug complacency. We have the statement of the chief of the general staff, of the adjutant general and of other senior officers whose knowledge is very recent and who have made statements which should be examined without delay. We are not confronted with any question of Liberal or Conservative; we are not confronted with any question of government or opposition; we are not confronted with any question of mere debate or military estimates; we are confronted with the very survival of Canada, and nothing else. Uncertainty and half measures are not good enough. It is not good enough just to ask us whether we can make certain statements in regard to requirements when we are not allowed to obtain information.

The government itself should take the initiative in this. The government itself should want information. If the government is really concerned to the extent which the minister has indicated, then there is no course open to them but to appoint a standing committee right now. We are going to be here several weeks and within the time that he will still be here every one of the senior officers could be called. We will call them before the committee and the government can call any experts it wishes to call and we will obtain the truth. We will obtain the facts. We will obtain what is really hidden behind the veil of secrecy at this time. Abstract figures are meaningless; figures and statements have meaning only in relation to the reality with which they must deal.

There is also for our consideration the wider concept of an entirely new type of war. The war which may take place will be, not only a nuclear war or a war of guided missiles but a war waged by conventional weapons just as was the Korean war, although there were atomic weapons always available and ready which could have been used. The day of the conventional weapon has not gone. The day of the infantryman, the artilleryman, the tank man and the other members of the armed forces in the army, the members of the naval units and the members of the air force, has not gone. There may be push-button warfare at some time and again there may not be, just as there was no gas warfare and no bacteriological warfare either in the second world war or in Korea.

We have a new concept of war. We have this new concept of the Russians' use of distant satellites armed in advance, not only from their own armament plants but from the great Skoda plant of Czechoslovakia and the great Teschen plant in Poland where mighty guns have been turned out for generations. The big berthas of the first world war were not made by Krupps, as was the general supposition; they were made by Skoda at Pilsen. So were many of the great guns that were used on the eastern front made in the Teschen plant in Poland. These great productive plants are available to Russia today and they are supplying deadly weapons of war to countries in disturbed areas where trouble may be caused.

Conditions in that kind of world add to the possibility of the new concept of war, and our thinking must be adjusted accordingly. We should have a Canadian concept, not a British or a United States concept. We need a distinctly Canadian concept suited for the real and immediate needs of the third largest

country in the world. No mere application of a British pattern or a United States pattern will suit a country of 3,750,000 square miles with only 16,000,000 people living in it. It must be the kind of force which will be suitable for immediate movement to any of the distant areas of this vast land of ours. It must be the kind of force which can move into the Arctic overnight, can move in there in a matter of hours. It must be a mobile, hard-hitting force making the greatest possible use of scientific developments of all kinds. That is the kind of force which would be the most helpful as a Canadian contribution to NATO.

I close these remarks by referring back to what I have said. I refer to the fact that it is not only in Canada that there is this tremendous demand for information. It is not very long ago that Field Marshal Montgomery, who has never felt unduly restrained in expressing his opinions, made this bold statement: Our organization for war is unsuited to modern times. We now have the statement of the chief of the general staff until a very short time ago; we now have the statement of the adjutant general until a short time ago; we now have the statement of the commander of the Canadian army in the last war who has had close and intimate contact with events since then. Their statements are all to the effect that there must be reorganization if our money is to be properly spent and if we are to have the kind of force we should have.

If there is one thing above everything else, in addition to what has already been mentioned, that should call for a committee of inquiry it is the surprising fact that exactly the same figure is used this year as was used a year ago as the requirement for national defence—$1,775 million. It just is not possible. Great Britain, the United States, Russia and other nations have carried out great reorganizations. For some reason they have been able to increase the efficiency of their forces with a decrease in expenditure. Yet we have exactly the same figure. We should not be asked merely to find out what particular items mean, we should be able to ask the staff officers why this situation exists. That would be the kind of debate that would be worthy of the urgency of this subject at this time.

I repeat to the Prime Minister, not a request but an urgent demand based upon the nature of these public statements, that there be a standing committee on national defence set up now. It could start to work immediately and we could have the essential facts in three or four weeks at the outside and then the house would be able to continue a discussion of these estimates with the kind of information it should have. Whatever may have been the thoughts of the government before, when this government is confronted with the statement, by a man who was until recently its chief of staff, that the decisions of the government itself are being stultified by action within the department, then the time has come for this government to act in regard to the setting up of a standing committee which can really conduct an inquiry.

Again, however, let us remember this. It is not our support of a political party, whichever party we belong to; it is not the matter of an ordinary debate; it is not simply the figures that are before us; as the Minister of National Defence said yesterday, it is the survival of Canada that is under consideration, and I urge the Prime Minister to act in keeping with the solemnity of those words.

Mr. McIvor: I am not an expert like the Leader of the Opposition, but there is something that has not been said by those who have been taking part in this debate which I think is more important than the advice of what the former member for Fraser Valley used to call our chiefs of staff, the "brass hats". When I was a boy studying British history I was taught "trust in God and keep your powder dry." What I rose to say today is this. I think nobody has done any more important work, either in the past war or in the present kind of peace, than the chaplains in our forces. I think they are doing a great deal to build up our young manhood.

What was it that beat Germany? It was not that the Germans did not have the greatest army in the world, the best equipment in the world, the greatest air force and the greatest number of submarines. What beat them? It was because they left out the Almighty. They murdered Jews by the thousands. Why? For one reason, the Jews trust in one God. What beat the Germans in world war II? It was just that one thing. When the call came to Canada and the allied nations for a day of prayer, then three things happened rather quickly. First, the Germans at Dunkirk did not follow up and wipe England off the map. It was an outstanding military mistake. Second, Pearl Harbor brought the United States into the war with full forces. Third, the attack on Russia by Germany brought Russia into the war. Then they were beaten.

I ask my hon. friend from Cape Breton South if he considered conscription. I do not think that we dare plan conscription in Canada today. It would divide the country, and you have to have a united country.

Coming back to our chaplains again, they are doing something to help build up the life of young manhood in our nation. We have to admit that there are certain customs in the army that do not tend to build up our young men, but the chaplain service in our army is doing much to build them up. I take off my hat to their unselfish services. They are not a group of sissies; they are perhaps the best manhood in the army. We had one example of that at Dunkirk, where a member of the chaplain service won the Victoria Cross. He did not get it for nothing; he certainly measured up to his job as well as any senior officer who ever won the Victoria Cross.

The Leader of the Opposition says that what we want is a Canadian concept. I know that the word "Canada" is music for many, as it is for me. I was not born in Canada, but I came to Canada because I believed that it was the best country in the world for me. But I believe there is something better than the Canadian concept, and that is a Christian concept for our country. I take hope in this, that our church is as alive today as it ever was, Protestant, Roman Catholic and Jewish alike. That is the hope of our country. When a country like Russia treats God as a myth we know what is going to happen when war comes; what happened to the Midianites when Gideon with his 300 men wiped them out. I come back to this: trust in God and keep your powder dry.

Mr. Herridge: Mr. Chairman, after the thunderstorm eloquence to which the leader of the official opposition has treated us for the last hour, my few remarks will seem like the whisperings of a gentle zephyr that follows a storm. In view of the constantly changing international, political and technological situation, I fully appreciate the heavy responsibilities the minister has to carry and the complex and difficult nature of the problems he is called upon to face almost from day to day under these circumstances.

Before proceeding, I must express my appreciation of the minister's courtesy and his personal attention to any problem I have brought to his notice. Whether it involved the problems of an individual soldier, of a unit in which I was interested, or of equipment or buildings or other things in general, I have always found the minister willing to discuss them, to investigate things complained of, to report and to do what he could to remedy the situation, and I appreciate that. I must say that I have had occasions when I have had discussions with ministers and quite got the impression that I was conducting a monologue with a totem pole, but I have not found the minister that way.

[Mr. McIvor.]

I read the white paper and listened to the minister's speech carefully and with interest. I was particularly impressed yesterday with his concluding paragraphs, when he said, as recorded on page 5217 of *Hansard*:

> Surely no one could look forward, with equanimity, to year after year of uneasy expectation of that dread day when the first H-bombs might fall. However futile our best attempts may have proved so far, we must keep on trying for disarmament. And we must come to grips with some of those central problems that have led to war: ignorance and hate, disease, privation and poverty.
>
> For it is clearly evident—and it is on this note, and not a defence statistic, that I want to end my opening remarks to this committee—it is clearly evident that, for us and for the generations that will follow us into the wonders and hazards of this thermonuclear age, there must be some surer guarantee of peace, some less uncertain protection against disaster, than military might can hope to provide.
>
> Man's inventive genius, which has sought out and set free the power of the atom, can surely make it serve and not destroy us.

I must say that I for one very much appreciate that spirit and that approach to the difficult times in which we live. I might say that the minister, when speaking, made reference to the departure of two members of this house for the centenary in London of the establishment of the Victoria Cross. I suppose he overlooked that another V.C., who has not been in our sense a member of this house but has been a member of the staff of this house for a good many years, I understand, also left with them. I am sure we all wish him, with the others, a very enjoyable and profitable time.

In my opinion the hon. member for Esquimalt-Saanich, whose opinions on these matters I respect very much, made a most constructive speech, and I intend to refer to a few of his remarks later. I always think the member for Esquimalt-Saanich has a balanced approach, and while I do not always agree with him I think he is usually quite fair when he is dealing with these problems. I also thought my colleague the hon. member for Nanaimo made a most lucid analysis of the situation from our point of view, and I think hon. members would be well advised to read his speech. I also listened with great interest to the remarks of the hon. member for Peace River, particularly when he said, as found at page 5231 of yesterday's *Hansard:*

> I believe that if the government would enlarge its defence program by adding a great ideological offensive we might be able to forestall the awful possibility that the great arms race might lead to another terrible conflict.

I was rather surprised to hear the hon. member suggest this, as it would mean using

the Canadian Broadcasting Corporation as a propaganda medium for the government, and I am quite sure that no matter how carefully the government attempted to undertake that, it would very soon be accused of using the C.B.C. as an instrument of government policy. I do not think that is the right way to approach any of the problems to which the hon. member was referring at that point in his speech.

When I heard the hon. member make that proposal I could not help but think of my own father, who was a very strong Liberal. He disagreed with me politically very strongly indeed, but at the same time he was also, as a Liberal should be, a great democrat. He believed in freedom of speech and freedom of ideas, and he believed in the battle of ideas in a democracy. He was convinced that democrats could always win under those circumstances.

I remember one occasion just after the first world war when notices appeared in our village to the effect that a Mr. George Stirling, who later became a C.C.F. member of the provincial legislature, would arrive the next day on the steamer and would give a talk on the coming social revolution. Those words had a rather different connotation in those days than they have now. In any event, the local business people organized all the veterans in the district. They got about 20 veterans from the village and the surrounding country to march down to the wharf to meet the boat. The only means of access was by steamer, and they were going to give this gentleman two options. One was to proceed on his way on the steamer, and the other was to get off the steamer and be thrown into the lake.

My father heard of this incident, and at the time he was some miles out of town. He drove into town in his buggy, picked up another Englishman of a similar type who later became superintendent of marine affairs for the C.P.R. for the interior of British Columbia, and they went down to the boat. My father went after these chaps and the businessmen of the district. He said, "We live in a democracy. This is a country founded on British institutions. A man has a right to talk all the damned nonsense he likes as long as he keeps his remarks within the law. This man has a right to say what he thinks and he is going to speak in the village tonight." Everybody agreed with my father, as often happens in such cases.

The man got off the steamer. My father made arrangements for a hall where he could speak. Quite a crowd turned up, and before the meeting concluded the speaker had quite a time answering the questions that were shot at him. But that is the spirit I think of when I think of how we are going to face the difficulties to which the hon. member for Peace River referred.

Mr. Martin: Was his speech nonsense?

Mr. Herridge: I did not hear the speech myself, but I presume that it had a lot of sound material in it. My father told me what the gist of the speech was and, strangely enough, within 10 or 15 years the then Liberal government of British Columbia had written into the statutes of that province some of the revolutionary ideas the gentleman was advocating at that time.

I, together with my colleagues, agree with the Leader of the Opposition when he suggests that these estimates should go before a committee of the house. In my opinion we cannot deal with them effectively, as we are all in the dark under the present circumstances with respect to the details of the problem we are facing. In my view our ignorance and ineffectiveness can only be overcome by the estimates being referred to a committee, and I agree that there is yet time for that to be done during this session. We would have the opportunity to call witnesses, to examine them and to secure information. I think that would add a great deal to the understanding of the members of the house with regard to these very important estimates.

We are generally agreed, Mr. Chairman, that world tension has lessened considerably in recent months, though we know that this uncertain peace is, generally speaking, only maintained by fear of the destructive power of nuclear weapons. However, in the opinion of the members of this group the present situation does provide us with certain opportunities that we should take advantage of as soon as possible. We think it provides us with the opportunity, as the hon. member for Nanaimo so well stated yesterday, to reassess Canada's role in the defence of democracy. It provides an opportunity to eliminate obsolete methods, equipment and waste, and I know it is very difficult to eliminate waste from any defence force. I see things happening from time to time that irritate me very much indeed, because I was brought up in a very economy-minded home. My father and mother always told me that the two great sins in life were dishonesty and waste.

It also provides us with the opportunity to utilize the savings in manpower and money for constructive expenditures which will make a great contribution to the defence of democracy and to the winning of the battle of ideas. I suggest we could use these savings in public investment in utilities within this

country, in increased expenditure on the Colombo plan, and possibly in some forms of economic aid that may be required as the result of the study of article II of the North Atlantic treaty by the three prominent persons who are now giving it consideration.

The former chief of the general staff has been making speeches and has written a most interesting article in a recent issue of *Maclean's* magazine. However, whenever I listen to a general speaking or read his articles I cannot help recalling remarks made by other generals. For instance, I never fail to remember the remarks made by the hon. member for Esquimalt-Saanich, as reported at page 2810 of *Hansard* of 1951, when he said:

> I have never known an admiral, a general or an air marshal who did not begin by asking for more than his share of anything.

I always think of that when I hear of generals criticizing public policy. Then I notice that yesterday afternoon the minister said in his remarks, as found at page 5215 of *Hansard*:

> It was, I believe, Clemenceau who said that war was too serious a matter to be left to the generals.

When the hon. member for Esquimalt-Saanich referred in his speech yesterday to General Simonds' article in the last issue of *Maclean's* magazine he said, as found at page 5221 of *Hansard*:

> Being a retired general myself I can perhaps discount the comments of retired generals to a greater degree than most people . . .

I have a respect for the contribution the generals have made to this country and for their knowledge in certain fields where I have very little knowledge, because my generalship has been mostly over a few cows and pigs; but when I consider the opinions of generals these views do condition my attitude toward the opinions of those who speak on these matters.

Before going on with the few remarks I wish to make in that respect, I should like to make a comment with respect to the present chief of the general staff. I have never met him and I would not know him if I saw him on the street, but I know a good many people in all the services. From talking to them—and some of them are of quite senior rank—I am distinctly under the impression that the present chief of the general staff is doing a good job. I say that for two reasons. From what I can gather, he has a good understanding of the psychology of the Canadian armed forces personnel in peacetime, and he has also a good understanding of the psychology of Canadians generally in peacetime. That is quite an advantage for a general. In the second place, I understand that his administrative and business ability have been of great value in taking the first halting steps toward reorganization that is inevitably necessary owing to changing conditions and circumstances. I gained that impression from discussing these matters with people who have some knowledge of what is going on in the Department of National Defence.

General Simonds has had great experience in wartime but, in my opinion, he is somewhat out of touch with the thinking of the Canadian people when he deals with the question of manpower, and possibly does not quite appreciate the government's position in a situation like this in a democracy. In a democracy any government must pay attention to public opinion and in its policies must to a considerable extent reflect that public opinion. In that connection I should like to quote briefly from an article written by Earl Attlee, who was minister of defence in Great Britain in 1945-46. This article appears in the *Socialist Commentary* of June, 1956, so it is quite recent. I think everyone will credit Earl Attlee with being a well-balanced and well-informed person. This is what he has to say:

> We must accept the logic of events, and in the light of them consider afresh our defences. The situation has wholly changed since Labour was in power and introduced national service. We can reasonably hope, despite the frustrations of the disarmament conferencee, that no state will embark on a major war because of its inevitable consequences to victor and vanquished alike. The conceptions of armies of millions of men fighting land battles is out of date, and therefore the basis of national service—which was the provision of large reserves of trained men for land warfare—has gone. I gather also that the best opinion is that the long-distance guided missile cannot be dealt with by piloted planes, and this entails a review of our air forces. A navy operating from ports within range of the guided missile seems to be equally impossible.

I just wish to deal briefly, Mr. Chairman, with this article which has been widely read in Canada and which is published in the last issue of *Maclean's* magazine. While I disagree with many of General Simonds' opinions and cannot accept his recommendations in most respects, we must realize that a great number of Canadians will read this article as one that has been written by someone who has had some considerable experience in military affairs and who, as the ex-chief of the general staff, should know what he is talking about. He makes several pertinent statements. He says:

> There is no co-ordinated effort to evolve a sound and comprehensive defence policy.

Then again he says:

> The Canadian chiefs of staff committee is "packed" to protect the government against the receipt of unpalatable advice.

This is a very serious statement indeed. Then he says:

Senior civil servants can, by deliberate and unwarranted stalling, defeat the recommendations of the armed forces even though those recommendations have been approved by the cabinet.

That is something that we should know something about. Then again he says:

The . . . chiefs of the three armed services are denied an opportunity to confront those responsible for political decisions with objective military advice.

That is another very serious statement. Then again he says:

Certain politicians . . . have raised the bogey of a so-called military "junta"—

I do not know whether he includes me in that too; I do not think so, because I am too small pumpkins.

—attempting to usurp political powers, such fantasies . . . represent one of the most outrageous hoaxes ever inflicted upon an unsuspecting public and Canadian political twisting at its worst and most degrading.

That is a very serious statement. So far as I know, only on a few occasions has the government taken exception to persons in the forces dealing with policy. They have a right to do that, and I hope they will continue to exercise their right in that respect and will maintain the tradition in this respect that is practised in Great Britain. Then in his concluding statement he says:

There is no facet of our national affairs in which the stamp of a colonial mentality remains so deeply imbedded as in that of our national defence.

I cannot agree with that statement at all. In my opinion the general himself, who has been the first advocate of a Canadian regiment of guards, indicated the stamp of a colonial mentality. By bringing over sergeant majors from Great Britain to train those guards there was an implication that there were not Canadians able and fit to do that sort of job. I am not alone in this criticism. I mentioned the matter last session and I received large numbers of letters from across this country, some from retired commissioned ranks and non-commissioned ranks and others from ordinary citizens without military experience. The 1954 convention of the Canadian Legion dealt with this matter and passed a resolution on the subject to this effect:

Whereas the government has announced the formation of a new regiment to be called the regiment of Canadian guards;

And whereas this new untried regiment is announced as taking precedence over all other Canadian infantry regiments whose valour has been proved on the field of battle;

And whereas the placing of this new unit as the foremost regiment in Canada is an affront and disgrace to the famous regiments of this country—

I agree with that.

Therefore be it resolved that this convention in no uncertain terms advise the Minister of National Defence and the government of Canada that the Canadian Legion condemns the degradation of our famous infantry regiments by this act;

And be it further resolved that this convention most forcefully urge that, while seemingly nothing can be done about the formation of this new regiment, it be not designated the premier regiment of Canada, thus ridiculing the very meaning of the word "valour", until such time as it shall have earned its position honourably on the field of battle where, and only where, any regiment can prove its worth.

That resolution shows there was a strong exception to that proposal. I think General Simonds showed a colonial mentality by trying to ape in Canada a tradition of the brave brigade of guards in Great Britain. I do not know whether any further consideration has been given to this question, but if I remember correctly I think the minister made some reference to changing some units. When he does that, I hope he will find it possible to change this regiment of Canadian guards into some unit that will be more suitable and more useful under modern conditions.

Mr. Chairman, this group believes the time is ripe for a reassessment of our present defence policy and the adoption of a defence policy that will involve the scrapping of the present obsolete organization, weapons and training procedures, and their reorganization and reequipment and retraining in line with Canada's United Nations obligations in the specialized defence role Canada must play in co-operation with the United Kingdom, the United States and other nations. Other countries are facing the same problem that we face. We cannot lay all the blame on the government. This has been a most difficult period in which to undertake national defence, particularly during the last 10 years. That is demonstrated by Earl Attlee in June, 1956, when he said this:

I am certain that at the present time most of the enormous cost of armaments could be cut down. I am sure that there are masses of weapons now obsolete which are still maintained or even being produced. There will inevitably be great opposition to the kind of drastic reorganization which is required. It will require a government with a strong will to undertake it for inevitably most of the experts will be thinking of the last war.

That is historically correct.

Labour must prepare itself for this task.

Then the magazine *Business Week*, in its issue of June 9, 1956, had this to say:

Such developments (new weapons and methods of warfare) have so upset the traditional strategy and tactics of war, that only a drastic upheaval in military organization can bring us up to date.

In the United Kingdom white paper on defence, 1956, we find the following:

> The smaller the size of our forces the more important it is that they should be equipped with the best modern equipment.

Therefore, Mr. Chairman, in conclusion I want to emphasize that we in this group suggest that our national defence policy should be based on the recognition of two facts; first, Canada's obligation to contribute her share of armed strength in support of any international police force action taken through the United Nations; second, the fact that the only possible defence against present-day weapons is the threat of instant retaliation with weapons and instruments of war of such a character and cost and on such a scale as to be beyond Canada's means alone.

Once again I do urge the minister to give consideration to the pleas from this side of the house to permit these estimates to go before a committee where some light, we trust, can be shed upon the problems we are called upon to deal with at this time.

Mr. Harkness: Mr. Chairman, each year I enter this debate, like I believe every other hon. member who takes part in it, with graver feelings than possessed me the year before. As the minister said near the beginning of his remarks yesterday, no answer to the thermonuclear weapon has been devised and none is in sight. That is something by itself which I think must give us great cause to think. The fact that the manned airplanes that we have at the present time cannot guarantee that bombers carrying those missiles will not get over this country and be able to drop them, and the more fearsome threat which hangs over us that within a few years there will be intercontinental ballistic missiles for which there is no answer at all so far, I think combine to present a sort of frightening picture which makes it impossible to come to a discussion of the defence estimates in anything except a mood of some foreboding.

I should like first of all to say something about defence policy, as I did last year. Canada's defence policy is the basis on which our efforts must be, or at least should be, built. I have had, ever since the war, a very strong suspicion that the government was never very sure and definite what the defence policy is or what it should be. This feeling has, I must say, increased considerably in the past two years as a result of the fact that really very few changes have taken place in defence organization, set-up, and so forth; whereas the world has been in a great state of flux and what were valid defence concepts some time ago quite clearly no longer apply. Now, defence policy, in so far as it is stated in any precise terms, is laid down in the annual white paper under "Defence Objectives". Prior to the last two years this statement was reasonably definite and straightforward, put down under headings 1, 2 and 3. The one for 1954 I have in my hand and it reads in this way:

> The objectives of our defence policy remain the same as heretofore;
> (1) The immediate defence of Canada and North America from direct attack;
> (2) Implementation of any undertakings made by Canada under the charter of the United Nations, or under the North Atlantic Treaty Organization, or other agreement for collective security;
> (3) The organization to build up strength in a total war.

As I say, that was a reasonably definite statement. One might complain a great deal of the fact that the means being taken in organization and so forth, as I think was the fact, were not adequate to meet those objectives. It seemed quite apparent that whilst these were the stated objectives, the government really had no definite ideas as to how they were to be carried into execution.

Last year these objectives had become much less definite; they were fuzzier and more ambiguous, perhaps I might say, and I should just like to read them. This is from the white paper for 1955-56. At page 3 we find the following:

> Canada's defence program continues to be planned for the immediate defence of Canada, for co-operation with the United States—

The first one was the same, of course. I continue:

> —in the joint defence of the Canada-United States region—

That was much the same. It goes on:

> —for co-operation within the North Atlantic Treaty Organization looking towards the provision of a collective force capable of deterring aggression, and for carrying out undertakings by Canada as a member of the United Nations Organization.

Well, as I say, these things might mean anything. They were fuzzy; they were indefinite. When we come to this year's white paper the fuzziness is carried considerably further and the amount of writing is very much increased, which I think is symptomatic of this year's white paper. As has been indicated by some other speakers, it is a well-written document. The contents are very good English, but this good English, in many instances, does not convey too much meaning. What we have this year on page 3, which again is really the start of the thing, is:

> 1. The aim of Canada's defence program and planning is to provide for the security of Canada.

That does not mean anything. If we had an army of cross-bow men here their purpose would still be to look after the security of Canada. If you have any defence forces their function naturally is the security of Canada. Therefore that first statement is, as I say, just a statement of the obvious and for any practical purpose it is meaningless and useless. It goes on:

> Under present and foreseeable conditions this can be done most effectively by close co-operation with our allies in the North Atlantic Treaty Organization, and especially with the United States in relation to the North American area. Our defence plans must also include a capacity to carry out obligations that may arise out of Canada's membership in the United Nations Organization.

I have no quarrel with all these what you might call ideals, but I do wonder very much what definite plan or definite organization there is to carry them out. It is my contention there is not too much.

When we come to No. 2 of these objectives we have something that is perhaps a bit more definite. I am not going to read it all; but what it means in effect, I think, is that the Canadian government has accepted as its basic policy massive retaliation by the United States in the event of a full-scale war breaking out. I presume as a result of that its chief policy, as far as our own forces are concerned, is to tag them on to the military effort of the United States so they may be assisted in carrying out this policy of massive retaliation.

I agree that the threat of retaliation is a great deterrent to war, and I sincerely hope, as I think all of us do, that that threat, or at least the existence of an air force in the United States at the present time and one in Great Britain of bombers which have supplies of atomic and thermonuclear bombs, will serve the purpose of preventing any war taking place. Of course if the worst comes to the worst, it will mean that we are in a position to cripple the enemy at least as seriously as he has crippled us, and thus prevent the possibility of him overrunning the western world.

The rest of the white paper does not indicate, to my mind, any means by which we are going to be able to carry out this general objective, nor does it indicate what you might call any specific changes in military thinking, organization, and so on, which the complete change in the concept of modern war naturally forces upon us.

One subject in particular about which nothing was said is manpower. I think it is quite clear, from what little is contained in the white paper and from the little the minister has said at this time and previously, that there is no clear-cut plan as to how manpower requirements are going to be met. We have had a statement that there would be a maximum force of 120,000. The government has not explained why the figure was not set at 100,000 or 200,000 or at any other figure. In other words this apparently was just a figure decided upon for the sake of convenience because the government knew there were about that many men a year ago.

We have had no information concerning the allocation of the manpower as among the three services. We do not know whether the present allocation is correct or if it bears any relationship to the real need for manpower. I think the government owes it to the country and to this house to give us more definite and precise information concerning its manpower policy and how the present needs are going to be met.

The next matter concerning which we should have information is what reorganization of our defence forces is necessary to meet the three kinds of war into which we may be forced. The first is an all-out atomic war; the second is a conventional war, such as that fought in Korea; and the third is what the hon. member for Esquimalt-Saanich referred to yesterday as a bush war, small, punitive expeditions in which we may have to take part.

I must admit that in his speech yesterday the minister did give us more information than is contained in the white paper. As was described in one editorial I read, the white paper might just as well never have come out as far as adding to our information with regard to our defence situation is concerned. The minister gave us some additional information, particularly concerning what changes would take place in the air force, the air crew, and projected changes in the army and so on. We are, however, still very much in the dark with regard to many of the important aspects of national defence.

As I said previously, this is a period of flux and change and it necessitates changes in military thinking and organization. The minister recognized that to some extent in his speech, because he said a committee composed of senior army officers was examining the organization of field formations for the army in order to make them more mobile and flexible. I am extremely glad that inquiry is taking place.

I do not share the view that has frequently been expressed in this house that military officers are always ready to fight the last war. This business of attacking the brass hats is almost a cult in Canada, you might say, the uncrowned king of which for many

years was the former member for Temiscouata who has now been translated to the other place. This subject constituted the major part of his stock in trade. I was disappointed that the hon. member for Fort William brought out the subject of brass hats this afternoon and scoffed at them. I was also disappointed about the doubt as to their thinking ability which was expressed by the hon. member for Kootenay East.

Having met a considerable number of generals both during the war and since, I remain convinced that the majority of them are very able men. I would mention only two who I think prove the point very well. General Eisenhower, I think, is now acclaimed throughout the entire free world as one of the greatest men of this age. General Gruenther, I think, more or less commands the complete confidence of all NATO countries with respect to his ability and integrity. I mentioned these two men as examples. I think this matter of speaking contemptuously of brass hats and trying to convey the impression they are always thinking back to the last war and are not really intelligent people, and so on, is a pretty tawdry sort of thing and completely at variance with the facts.

As a matter of fact I think a good many generals and other senior officers in our armed services have been much more forward looking than the government, but they have been prevented from carrying into effect many of the changes they would like to have made. I believe that is indicated by the statements and articles we have heard of today, written by some of the senior officers who have recently retired.

As I said, I am glad to learn that the reorganization of the army is at least being studied now. I think the time is long overdue for us to take a long, hard look at our entire military set-up and organization. I do not believe the present organization is constituted to meet present threats. I do not believe the responsibility for that rests with the officers serving in the forces, but that it rests squarely on the shoulders of the minister and the government. They are the only ones who can make extensive changes.

The Leader of the Opposition has called for the immediate setting up of a committee of this house in order that we might have the actual facts placed before us by senior officers and others concerning our military situation as it exists at the present time. That is something I think should be done in the interests of Canada and in view of the responsibility of the government to this house.

In addition to that, as far as the long range improvements in our defence set-up and organization are concerned, I think something else is necessary. I suggest a committee of inquiry or a royal commission—whatever you want to call it; some similar body at any rate—should be appointed and given some months in which to study the whole question of the organization of the Canadian armed forces, and that it be charged with the responsibility of collecting evidence not only in this country but in other countries in order that there might be some definite body of information on which this government and this house could base their thinking with regard to what our military organization should be.

This is the sort of thing which has been done frequently in the past as far as Great Britain is concerned, and it has been the means by which the whole military organization of that country has been changed from time to time. Perhaps the most famous military commission was the Esher commission as a result of which, I believe, the present general staff set-up in the United Kingdom came into existence.

There have been several other commissions in Great Britain. In every case it was found necessary, sometimes because of opposition on the part of people in the services or the general public, to appoint a commission to study the question thoroughly and for the commission to make its recommendations to parliament before any widespread changes could be put into effect.

We have had the same thing in this country to a limited extent. We had the Otter commission which studied the Canadian defence set-up and made recommendations which were adopted and upon which our military set-up prior to the first world war was really moulded or built. I would earnestly recommend or suggest to the minister that a commission of that sort be set up in order that the whole question of our military organization, in view of the great changes which have taken place in the world, may be studied and something better put in place of what is really a second world war organization which we have at the present time.

I would suggest further to the minister that in setting up that commission there are possibly three men who would make excellent members. I refer to the last three chiefs of staff of the three services, who have been retired. There could be two or three other men, such as Mr. Gordon who is heading the present Gordon commission. In other words there could be two or three civilians who had extensive experience in organization and in what might be called general business administration and things of that kind.

I should like to say something about the general organization, as I see it, of the Canadian defence forces at the present time. To begin with, headquarters is top-heavy, and by that I mean national defence headquarters in Ottawa. We were told in this article by General Simonds that defence headquarters would not work in the event of war. I shall come back to the general matter of the reorganization of national defence headquarters later. Before I do that I should like to say something about the three services themselves.

I do not feel particularly well equipped to deal with the navy, but I have done a considerable amount of reading on this subject. The chief function of our navy is anti-submarine. I think we all agree it should play an anti-submarine role. I have not heard or read of anyone advocating any other role for our navy. I have heard a considerable amount of questioning as to whether the set-up for this anti-submarine role, which is essentially the same as the set-up in the last war with the addition of an aircraft carrier, is adequate to carry out that role.

I think there is universal agreement that the new destroyer escort of the St. Laurent type is an extremely good ship, but it is a very expensive craft to build and therefore production is slow; it takes considerable time to produce these destroyers. This is indicated by the fact that this program was laid down some years ago but the first destroyer was several years late in getting into commission, much later than was projected when the plan was announced. Others will be later still.

I have heard it said quite frequently that while these are extremely good craft and the fact that we have a certain number of them is all to the good, they are not sufficient. It is said that in addition we need a number of smaller, fairly inexpensive craft which could be built rapidly as losses were experienced in the event of war. It is said also that there should be a more extensive use made of helicopters, perhaps both in connection with the smaller ships and the destroyer escorts. Surface craft alone are not going to be able to detect submarines as well or as satisfactorily as helicopters or ships aided by helicopters.

I have heard the fear expressed that with the type of navy we have the loss of a few of these exceptionally good but expensive and slow to build destroyers would cripple our navy to such an extent that it would be unable to carry out its role. It is for that reason particularly that a considerable number of more quickly built ships are necessary. Having had no naval experience I do not feel competent to say whether these criticisms are correct, but they sounded reasonable to me. I think they should receive a considerable amount of study, not only by the minister and his naval advisers but by the commission which I have indicated should be appointed.

I come now to the army organization and the arms of the army. These are almost the same as they were during the last war. The minister made quite a point about the 105 mm. gun replacing the 25-pounder and the 155 replacing the 4·5 and 5·5 guns. However that does not readily improve the artillery of the army in the slightest degree. A number of gunnery officers—I understand some of them in the United States; in fact I was talking to one from the United States—believe that the 25-pounder is a better all-round weapon than the 105 mm. They claim it is a more flexible and handier weapon. The 105 takes a little heavier charge and produces a little more punch at the end, but many gunnery officers consider that it is not likely to be as good a general, all-purpose gun as the 25-pounder. So the substitution of the 105 mm. for the 25-pounder has made no real improvement in the arming of the Canadian army. The only thing it has done has been to make it possible for the Canadian army to ride on the United States supply line rather than on the British, as has been the case heretofore. Whether that will be an advantage or disadvantage only the future will tell.

The Centurion tank is a new and approved weapon. I am glad they were secured and a considerable number are in use in our army. The only other improvement in our arms is the use of some mortars and rockets and the FN rifle. So it can be said that by and large, except for a limited number of improved weapons, the Canadian army in its organization and its armament is essentially the same as the army we had in the last war.

I do not think that is good enough; I do not think the minister thinks it is good enough, as is indicated by his speech. I am surprised that the situation has been allowed to go on as long as it has without any improvement. During the last three or four years we on this side of the house have called repeatedly for the use of more mobile troops, airborne and in armoured vehicles. Apparently there has been some advance in the thinking of the minister and the government, as the minister indicated in his speech that there was a new armoured vehicle of an amphibious nature which was going to be secured. When he comes to reply, or when we are dealing with the army, I should like

him to tell us how many of those vehicles it is proposed to secure, how soon they will be in the hands of units, and also if any of them will be given to the reserve army for training purposes.

Many people at one time or another have spoken of the army as being obsolescent, and so on. I do not believe there is any validity whatever in that contention. I do not think the army is obsolescent, or that it will ever be obsolescent as long as wars are going to be fought. As far as our defence thinking in Canada is concerned, we should work on the basis that it is going to be essential to maintain an army. At the same time I believe there is no question but that the old form of division such as we had in the last war and such as we have at the present time is not adapted to modern requirements. I believe that all the troops in an infantry division, or whatever kind of division you call it, should be carried either by air or in armoured vehicles. I think we must work in that direction as far as our army is concerned.

The information I have read in connection with the new German army is that it is all going to be either armoured or carried in tracked vehicles which will have good cross-country performance. Whether you admire the Germans or not, you must admit that they have been extremely good military thinkers and organizers. The fact that they are going into a set-up of that sort should be sufficient to cause us to examine our position very carefully, where we still have our infantry battalions on their flat feet, in the same position they were in during the last war, with a certain number of trucks without cross-country performance to transport them on roads. We must realize that in any future war there probably will not be roads on which to transport them. We must have vehicles with cross-country performance.

The Deputy Chairman: I am sorry to advise the hon. member that his time has expired.

Mr. Harkness: I can either go on at the present time or come back to it later; I do not care.

The Deputy Chairman: With the unanimous consent of the committee, of course, the hon. member may continue.

An hon. Member: Go ahead.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Harkness: To return to this matter, Mr. Chairman, I believe it is fairly generally accepted that in the event of an atomic war troops have to be in fairly small formations. I think also it is going to be essential that units, sub-units and even single detachments must be in a position so they can move rapidly about the country and be self-sufficient for, say, at least a week. Even in the last war we got to that, as far as anti-tank gun detachments were concerned. They had a ration box, sufficient petrol, a certain amount of water and all the ammunition they could carry. They could be set down and left for a week, and one did not have to worry about supplying them. It was probably only a small detachment of seven men to which that applied, but I think that will have to apply to other detachments, down to the infantry section and half-section. They will need to be carried in a vehicle which is armoured to some extent to give them protection against small-arms fire, and they will have to be equipped so they can live for a week or more by themselves without being supplied, because it is very doubtful whether the great supply trains of the last war and of previous wars—army service corps columns occupying miles of road, bringing up ammunition, food and all the other supplies—will be possible. As a matter of fact, most of the supplies will probably be air-dropped. Therefore the reorganization of the army, I think, makes it essential, to begin with, that these very small detachments, units, sub-units and so forth, can each operate more or less independently. If most of a unit is wiped out, what is left can still operate without having to be supplied every day or two days.

That type of army organization is essential, I think, for atomic war, but also I believe it is a much better type of organization for any kind of war, whether it is conventional war or whether it is one of these bush fire wars. It is the type of organization which will be more mobile, more flexible and will give a better account of itself than the old type to which we have been accustomed is likely to do. In other words what I think we need, as far as the future is concerned, can be summed up in a few words: mobility, fire power, armoured protection for vehicles, and staying power, the ability to stay for a week or more without having to be resupplied. These things, I think, will be much more important in the wars of the future than numbers, and are what the reorganization of the army should aim at.

Now I turn to the air force. I think it is generally accepted by military thinkers of every country that it is in the last phase of its existence as a bomber-fighter force. In our case, of course, it is purely a fighter force. We have no bomber force. The general thinking is that in five to ten years the guided missile will have taken the place of the manned aircraft and, therefore, as a fighter-bomber force the air force will no longer have

a role to follow, though it will have that role for the next five to ten years, or something along those lines. As a result, I think the long-range thinking has to be directed toward the role which the air force is going to be assigned. What is going to happen, as far as it is concerned, when this five to ten year period is over? What has been its primary role no longer exists.

In the United States there is a very unseemly row going on between the air force and the army as to which one is going to look after guided missiles. I can quite understand that. The air force officers there see what the future holds and they want to retain their place in the sun and have control of the guided missiles. The army says they are just a form of artillery and belong to them. So the fight is on. Fortunately we have had no fight, in the open at least, in this country, as far as that is concerned; but it is one of the major matters of defence policy on which a decision needs to be made.

I think this house has the right to be informed as to what may be the thinking of the government, its military experts and others in regard to this very important matter. Whatever it may be, the air force, instead of having its present strategic and tactical role, is going to have quite a different place and a different role than has been the case so far. It is either going to have these guided missiles and thus become in effect the artillery of our armed forces or it is going to become a transport force to move men, supplies and so forth from place to place. Of course a change of that magnitude means that some forward thinking in preparation for it should be under way at the present time.

In any event, whatever is done as far as the air force is concerned—I have no fixed ideas on what should be done in that regard, but I am certain that these changes I have indicated are coming—whatever is done, as the strategic and tactical reasons for the separation of the air force and the army will have ended by that time, I do not think there is much question that there is no good reason to maintain that separation.

That leads me to the numerous suggestions that have been made, particularly by Field Marshal Montgomery but by many others too, in regard to the unification of the armed services. There has been a good deal of thinking about this matter by some eminent military men, many of them in the United States, including the present chief of their air force, who believe there should be complete unification of the three armed services and that there should be one service head. I think a move in that direction is probably inevitable in the course of time in order to secure an efficient and effective defence force and, as I have indicated, I think we should perhaps be taking some steps toward it.

I find, Mr. Chairman, that I have taken about 15 minutes longer than I expected on this portion of my remarks. My remarks are more extended than I thought they would be from my notes, and as I do not wish to trespass on the indulgence of the committee I think I will give place to someone else and come back to this other matter later. It has to do with the reorganization of defence headquarters.

Mr. Dinsdale: Mr. Chairman, during the years I have had the privilege of taking part in the discussion of the defence estimates I believe I have always begun with the complaint that we must deal with the important subject of Canada's defence preparations largely in a vacuum so far as detailed information is concerned. That has been true in the past and it is again true with respect to official sources of information. However, as other hon. members have stated during the discussion, considerable information has been placed before the public of Canada in recent years from certain high military sources, even though those sources are not quite official. Some of the information that has appeared in magazines such as *Maclean's* and *Saturday Night*, for example, has indeed been rather disconcerting.

I want to spend most of my time dealing with the air force aspect of defence, but before going into the details I should like to suggest to the minister that the stock answer we get from time to time, "not in the public interest", when we ask for specific information on certain aspects of military activity, the progress in recruiting, the new developments that are taking place in the various branches of the armed forces, is in my opinion a little bit overdone. I say so because I feel that if as the House of Commons we took the public of Canada into our confidence our armed forces would be much more efficient and our state of preparedness would be further advanced than at the present time.

To justify the assertion that we are adequately prepared to meet any emergency, we often refer to the continuing high level of expenditure which during the past few years has averaged some $2 billion a year. I am afraid that as a result of sloughing off responsibility in that way the ordinary citizen, when he writes his income tax cheque, which is quite substantial for the average Canadian, feels that he is making all the contribution that is necessary to the defence of Canada. It is the same sort of

situation that develops with reference to charity today. People who make contributions in response to various charitable appeals feel that they have discharged their complete responsibility by the financial contributions they make.

In my opinion the state of world politics today is such that the Canadian public should be made completely aware of precisely how inadequately we are prepared as a nation to meet an emergency, and also how inadequately the western powers as a group, particularly those associated with NATO, are prepared. The minister began his remarks yesterday in a rather ominous tone by referring to the threat of nuclear warfare, the threat of total warfare, for that is obviously what nuclear warfare means. If we are faced with any potential situation of total warfare that situation must be met by total preparation. We cannot have total preparation unless the people of the nation are prepared in every respect. We must not only be prepared by having a professional armed force, but the people must also be prepared psychologically, spiritually and from the standpoint of morale and esprit de corps in order to meet any possible emergency.

I think the real reason the answer "not in the public interest" is almost invariably given to questions that penetrate too closely to the heart of defence problems is that as a nation we lack any comprehensive policy. This year, as in previous years, I have searched the white paper in vain for any complete statement of Canadian policy in the face of the continuing world emergency. That is not merely conjecture on my part, because some of the statements that have appeared in articles in magazines have also suggested the same thing, that there is no co-ordinated effort to evolve a sound and comprehensive defence policy. That statement was made by General Simonds in his recent article in *Maclean's* magazine.

My suspicions in this regard are also aroused by the fact that defence expenditure for this year has continued at precisely the same level as last year, $1¾ billion, exactly the same figure as last year, which more or less suggests that the minister and his officials have made a rough guess as to what our defence expenditure needs might be for the next year and have decided to perpetuate the status quo so far as the estimates for the ensuing year are concerned. The charge of no policy is not new. As a young nation Canada has found itself in the same situation throughout our whole military experience.

I have been reading that very excellent history, "Six Years of War", by Colonel Stacey, the first volume of which was published last fall, I believe. It deals with Canada's effort in world war II, and the point repeatedly emerges in Colonel Stacey's analysis of Canada's participation in the war and the period immediately preceding the war that there was no policy. There was no comprehensive planning. There was a hope and grope approach to the problem of defence. Perhaps that might be excusable in the period before world war II because we were living in a fool's paradise so far as our attitude toward any possible threat of war was concerned, but certainly we have had the harsh realities of the world political situation brought home to us in the years since the end of world war II.

I have here a few interesting observations by Colonel Stacey in this regard. For example, he refers to the minister of national defence during that period, the late Ian Mackenzie, at the imperial conference of 1937 opposing any extraneous commitments so far as defence expenditures were concerned. I came across this interesting tidbit. In 1936 the military chiefs of that day requested $250 million and received $36 million. Hitler was already on the rampage but we had our heads in the sand. In the appropriation in 1939-40, the year world war II broke out, the amount was precisely $60 million and Colonel Stacey in rather quaint language says that this produced a strong protest from the army. Of course, as I have hinted, the explanation was that we were still in the throes of a depression. Unemployment was still widespread. The public accounts still showed a regular deficit.

It is interesting to note that in 1938, on this same matter of defence policy, the then prime minister, the late Mr. Mackenzie King, wrote to all his colleagues in the cabinet reminding them of the recent deficits and emphasizing the importance of achieving a surplus and, if possible, some reduction in taxation before the next appeal to the electorate. I was most interested to find that any attempt by the military advisers of that day to set up an armament industry was turned back by the administration in those immediate pre-world war II days. Requests went forward from the chiefs of staff for the establishment of an armament industry right up to the outbreak of war, and those requests were continually turned back by the government. Of course, had the government accepted the recommendations of their military advisers the Canadian land forces in the second world war could have been armed with modern weapons from the outset. As it was, they made do for many months with the equipment of 1918.

I refer to these interesting extracts from the official history because they point out that we in Canada have never had a comprehensive policy toward military preparation. If it had not been for the quality—which we have heard mentioned in this debate several times —of Canadian young men who have volunteered for service in the two wars and in the Korean period of crisis, we would never have made such a magnificent showing as we actually made in the defence of Canada. It is quite true that Canadians have a strength of character that seems to bring out the best in periods of crisis.

If the world situation is as difficult and as black as the minister outlined in his opening statement, as is referred to in the white paper, and as is mentioned from time to time by the Secretary of State for External Affairs, it is not enough to hope that Canadian citizens will rise to the occasion to meet any potential crisis that might be just around the corner.

Having had the experience of lack of preparedness for world war II and the unhappy state of affairs in the world that emerged following the collapse of the German reich, one would have thought we had learned our lesson. But we find that immediately after the cessation of hostilities the administration tried to revert to the pre-world war II period. We withdrew our forces from Europe and from Germany. We would not participate in the occupation of that country.

According to the official record, on October 1, 1946, the regular forces had been reduced to a figure below 50,000. The defence commitments for the fiscal year 1950-51 were $420 million. That was the year the Korean crisis commenced, and we made a complete somersault in defence plans. Panic ensued, and we embarked upon a period of defence build-up that has been referred to in this house from time to time. It was referred to by the former minister of national defence as "crash planning".

I think that just about describes all the contribution this country has ever made toward military preparedness. We have waited until a crisis was upon us; we have panicked; and we have indulged in crash-planning preparations. That is something which is tremendously expensive and tremendously wasteful; it is the sort of planning that produced the unhappy state of affairs outlined in the Currie report and which placed the armed forces of Canada in considerable bad odour for a long period of time. We are still not quite sure of where we are going, if we are to accept the opinion of the unofficial sources that have been discussing this situation in recent months.

Just before calling it six o'clock, Mr. Chairman, I should like to place on record a summation of the contemporary situation by the retired former chief of the army staff. He says:

> Thus little dodging expediencies grow into vast incubuses and huge sums of money are committed on a "defence policy"—

Those words are in quotation marks.

> —that has never been thought through in all ramifications and consequences, and is no more than a ramshackle expensive patchwork.

If I may call it six o'clock, Mr. Chairman, I shall continue after the dinner recess.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Dinsdale: Mr. Chairman, at six o'clock I was making the point that this question of lack of policy in defence matters is not a new thing in Canada. Actually, as a young nation we have never arrived at the position where we have met in a comprehensive way our defence responsibilities that have been increasing as Canada has assumed a role of increasing importance in world affairs. During the post-war era this particular aspect of public affairs has become a matter of extreme urgency.

The suggestion has been put forward, Mr. Chairman, that one of the reasons for our inability to outline a comprehensive program is the difficulties at the upper echelon of administration. It has been pointed out, for example, in recent statements by those who have occupied important positions in Canada's defence department that there is a bottleneck at the top; there is a break down in communication between the ministerial level and the level of chiefs of staff; there is a lack of liaison between senior civil servants and the other higher levels of command.

I recall that on former occasions during debates on the departmental estimates it was suggested that perhaps we should relieve the minister of some of his responsibilities by appointing a minister for air. That suggestion was made during the critical Korean build-up period. Following the Currie report discussion in the house there was an assistant minister of defence appointed. Now, these matters are in the realm of speculation, and I think the only way we can come to grips with the difficulty is by establishing a committee of the house that could meet from time to time and try to open up channels of communication and

endeavour to bring our defence policy, which is a very important thing, into proper perspective at this time.

I do not want to spend all my time on policy; I want to deal specifically with the air force, as I indicated in my opening remarks. In matters pertaining to the air force I am glad to see in the white paper there is an indication that we are moving toward a semblance of a policy. The hon. member for Esquimalt-Saanich, before his departure from the house yesterday, congratulated the minister in this regard and indicated there is some evidence that the suggestions of the opposition have not been entirely without result; because the new policies, if you can call them that, that are outlined in the white paper are definitely based on suggestions that have come from this side of the house during discussions in former years.

The air force in Canada, because of the very nature of our geographic position, occupies a position of utmost importance in any Canadian defence policy. This is being recognized by the Department of National Defence, it is encouraging to note.

First of all, of course, there is the matter of personnel for the air force. Any branch of the service requires suitable personnel. I am not going to dwell on this problem. It has been mentioned by other speakers, but the white paper does indicate a high level of wastage which is not in the best interests of building up a strong, effective air arm. There appears to be a shortage of air crew. We have been trying to form additional squadrons for a couple of years now, and there seems to be a lack of the necessary trained personnel to equip those squadrons.

In passing, may I say that perhaps one of the reasons for the lack of interest of Canadian youth in the air force might be the relatively low level of incentive pay. This is a matter that has been mentioned in the house before. I believe it remains at the world war II level of $30 a month, regardless of the number of hours flown. Whether you are a chairborne pilot or a full operational pilot, you still qualify only for the additional $1 a day flying pay, which compares with something like $175 a month for the United States equivalent. Even in the R.A.F., where the service rates of pay are lower than the R.C.A.F., the flying incentive pay is at a much higher level. That, of course, is not the only factor, but it could be one of the reasons for the lack of incentive.

The main difficulty so far as personnel is concerned seems to be in the shortage of maintenance personnel. This is indicated by the increasing use of civilians to fill maintenance positions. In the realm of electronics, private industry in Canada is growing by leaps and bounds. There is difficulty in retaining the personnel in the electronics field in the air force. The air force has tended to be a source of supply of qualified technicians in this particular area.

The problem of course, relates itself to the whole problem of personnel in Canada, where we are short of technicians of all kinds, where we are short of scientifically trained personnel. The difficulty comes up in almost all departmental discussions, and it is definitely sufficiently acute to require urgent joint action on the part of educational authorities and on the part of industry in co-operation with the government. If we are to have a comprehensive air policy we must meet the demands of personnel requirements.

Now, there is the matter of weapons. We have been discussing radar development on the North American continent. It seems to me, Mr. Chairman, there is considerable misunderstanding concerning the function of our radar screen, which has been compared with the Maginot line complex, and so forth. There has been some criticism that unnecessary expenditure is going into the establishment of our three radar lines. Well, I should like to suggest that we have an excellent example of the function of a weapon of this kind—if you can call it a weapon; it is a defensive weapon—in the experience of the battle of Britain. Had it not been for the foresight of the pioneers in this field—they called it radio location in those days—the first of the few would not have succeeded in practically destroying the power of the Luftwaffe and winning the battle of Britain. They were able to do so only because they worked in close conjunction with the radar network that had been established around the United Kingdom.

Therefore I am one of those who believe that the radar installations are a very necessary and important development in any comprehensive program of air defence at this time. True enough, there are defects that cannot be overcome. We cannot detect high-flying aircraft; we cannot detect low-flying aircraft. These defects were present during world war II, yet they did not offset the overall effectiveness of the screen.

The main criticism in this regard has been brought to bear because of the feeling that we have reached an era when we are faced with the immediate prospects of intercontinental ballistic missiles. But so far as any information I have been able to get is concerned, it would appear that the I.B.M. warfare, as it is called, is some 10 years away. I do not know whether the minister will agree with that figure; but if it is so you

have a 10-year interval in which the more orthodox air force defence is going to be required, and particularly the policy emphasis today on massive retaliation.

Massive retaliation seems to be the strategy of the west. If that is so I would agree, Mr. Chairman, that it is essential that Canada make its maximum contribution in fighter aircraft, because in the massive retaliation strategy it is going to be necessary for any potential bomber threat to penetrate deeply into the North American continent. Even a flying time of two or three hours makes it possible for conventional fighter aircraft, if we can call the CF-100 and the CF-105 conventional aircraft—the latter is not off the assembly line but it is more or less a conventional type—to intercept a considerable number of attacking bombers. Perhaps the best argument in support of our radar program is the fact that the D.E.W. line in particular would make it possible for our retaliatory forces, the strategic bombers, to get airborne and attempt to break through the enemy defences and at the same time give us time to get the fighters airborne to meet any onslaught from the enemy. I think we are moving in the right direction so far as our air defence policy is concerned. The CF-100 and the F-86 are admittedly obsolete and the sooner we can get the CF-105, which will be in production shortly, off the assembly line the better will be our defence position air-wise.

This leads me to make just a brief comment on the importance of the air industry to Canada. Canada is a natural country for the development of a strong air industry. We are a young nation and we are on the verge of tremendous development, particularly in the northern regions. In similar manner air power is just in its infancy. We are on the threshold of tremendous achievements in the air.

In the past the advances in aviation have come largely from the impetus that has been provided by military development. We in Canada have been gently ushered into the air age. We have the nucleus of an air industry, but I think there is a fundamental weakness in our approach to the establishment of an air industry in that our emphasis has been largely on the military aspect. Admittedly, as I have already indicated, that is where the initial impetus comes from; but the very nature of the Canadian problem, with its huge distances and with its potential in the north, suggests that we should be developing an air industry which provides a nice balance between military and civilian needs.

As I see the situation we are very deficient in the civilian aspect of this particular development. Even in the air force, as far as I have been able to determine, we are not moving forward too vigorously in developing a strong transport command; in fact we have been marking time in recent years. Perhaps that is because we are waiting for new types of aircraft to emerge; but it seems we are in an ideal position, Mr. Chairman, to combine a military production program and a civilian production program with a modified form of the Bristol Britannia type of aircraft that will be in service in a comparatively short time. This Bristol Britannia is primarily a civilian transport which is being modified for military purposes. I have the specifications here but time will not allow me to discuss them in detail. I would, however, point out that the Britannia has proven itself a very economic and effective interim transport aircraft. As we move toward the jet age, it is a transport aircraft that could serve in various capacities in Canada on the transcontinental route. Its runway requirements are relatively limited as compared with the pure jet transport, and certainly it could play a major role in the opening up of the north, particularly with the establishment of the numerous airfields in connection with the D.E.W. line.

The Chairman: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Some hon. Members: Go ahead.

The Chairman: Has the hon. gentleman unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Dinsdale: Thank you, Mr. Chairman, for your courtesy.

I believe we were caught short in the D.E.W. line development. My colleague the hon. member for York West will be dealing with this in greater detail later on in the debate; he has a much wider grasp of this problem than I have. If we had planned very carefully, taking into consideration the special needs of Canada, we would have been in a position to have a very strong civilian air industry at this time.

There is another aspect of the necessity of co-ordinating civilian and military needs. The minister spoke of a mobile striking force as one of the objectives of air policy. That is another suggestion that has been put forward repeatedly by the hon. member for Esquimalt-Saanich. He is one of those retired generals with a very flexible attitude toward the changing demands of defence today. Any effective mobile striking force, in addition to being transported across the ocean by

means of Bristol Britannias—if that were the type of aircraft adopted—would require air transport facilities to make it possible to deal effectively with any enemy lodgments in isolated areas of this country. That would demand a smaller type of aircraft, and again we have an industry in Canada producing an aircraft very suitable for that purpose. I am referring, of course, to the Beaver and Otter produced by the de Havilland Company. These planes have established fine reputations in the field of small air transports.

As has been said repeatedly, we have to balance the demands of total nuclear warfare with the demands of conventional warfare, and if we are going to have an effective air defence policy—we are moving toward it timidly—we are going to have to think in terms of completely air portable—not airborne but air portable—mobile striking force, as we on the side of the house have continually indicated. That, of course, is going to mean a much more effective and comprehensive transport command operation than we have at the moment.

One further thought on this matter of a Canadian air industry. It is a subject which I bring up regularly. I am not alone in harping on this theme; it is a theme that has been picked up in many areas in Canada. The most recent exponent is another retired general who has been making statements that should be listened to with considerable interest by the government.

I refer, of course, to General Worthington, who is in charge of our civil defence organization and planning. He has been saying repeatedly in recent days that we must avoid the building up of these huge city areas which are flowing over and absorbing the surrounding rural areas like the tentacles of an octopus, swallowing up the fruitful agricultural land as in the Niagara peninsula, for instance. This is occurring at such a rate that according to a C.B.C. program last Sunday evening—"In the Shadow of the City," I think it was called—if it continues to absorb fruitful agricultural land at the present rate there will be none left in that area in 10 years. There are 50,000 acres left now and we are absorbing it at the rate of 2,000 acres annually. That of course is due to the high concentration of industry in certain areas.

Mr. Hellyer: Two times ten is not fifty.

Mr. Dinsdale: I am out somewhere in my statistics, but the increase was large enough to absorb 50,000 acres within a 10-year period. I am told that the aircraft industry in Canada employs between 35,000 and 40,000 people. This industry is concentrated in the urban areas and involves the expenditure of tremendous sums of money. I believe that if we are going to have an intelligent and logical defence policy we must have an air industry which can be defended and protected in the event of hostilities. That can be done only by dispersal across the country.

I have suggested on many occasions that we have lots of room in western Canada for such dispersal, and we also have all the necessary ingredients to make a worth-while contribution to this important aspect of Canada's economic life. The argument is always raised that dispersal is uneconomic, but when survival is at stake—I am quoting from the A. V. Roe brief to the Gordon commission—economics are of secondary consideration. So I raise this matter of dispersal and hope that those responsible will give it urgent attention as we move toward a more comprehensive air policy generally.

I do not want to impose upon the patience of the committee too extensively at this time. I intended to speak on the reserve and auxiliary problems, but that would require a longer time than I think I should take now. Perhaps I can come back to this particular aspect later on in the debate.

Mr. Regier: Mr. Chairman, in making my contribution to the discussion of the estimates of the Minister of National Defence I must at the outset plead guilty to a lack of technical knowledge which some hon. members seem to possess. I do not think I have ever seen one of these famous CF-100's, nor would I recognize it if I did. However, the Department of National Defence takes almost half the income of the federal government; therefore I am pleased to see more members taking an active interest in exactly what is happening to this vast expenditure of public money. As an ordinary citizen of Canada I am interested in what will be the effects of government policy in relation to the subject of world peace.

I am often asked back home to give some measure of explanation as to what the government actually uses this almost $2,000 million for, which they supposedly spend for defence. I do my utmost to explain that it is the responsibility of the Minister of National Defence to do everything possible to protect us from whatever hostile action we may be called upon to endure as a result of the activities of another nation.

I was a little disappointed the other day when I read the British United Press dispatch which reported that the people on the west coast of Canada had been subjected to radioactive rainfall. On the orders of the day on June 15 and June 19—I did not

put this question to the Minister of National Defence because I thought the matter was so important that it should receive consideration at a higher level of government than the head of one department—I asked by whose authority Canadian citizens were subjected to what might have been a dangerous radioactive rainfall, and I asked also what measures were being taken to assure Canadian citizens that things of this nature would not happen again. We did have the assurance in a news dispatch that the amount of radioactivity in the rain which fell was not harmful, but we have no assurance that on another occasion in the months and years ahead we might not be faced with disaster from other explosions which could be harmful. I say this because of the reports by scientists as to what may happen, and I look to the Minister of National Defence to supply me with an answer to the problem.

I feel it is the primary responsibility of the minister to protect the Canadian people from the actions of another nation. The Minister of National Health and Welfare replied that the Canadian government had not participated in any decision in regard to the thermonuclear explosion which took place about a month ago. If the Canadian government did not take part and was in no way responsible for that incident, then I feel it is up to the Canadian government to make representations to the authorities who were responsible in an effort to avoid what may some day be a serious situation. I am told that the scientists themselves are never sure at the time of one of these explosions how far-reaching the consequences may be.

Before saying anything more about the department I should like once again to place on the record my attitude toward the Department of National Defence. I made the following statement to the house on November 19, 1953, as reported on page 164 of *Hansard* of that date:

> For the record I should like to make it perfectly clear here that at this stage I do not oppose but rather endorse the use of force which may be necessary for the maintenance of law and order. But such force must be exercised by some authority which is higher than those who are involved in the argument. As long as the United Nations is the United Nations and not the Soviet union or the United States I am in hearty agreement with the use of military force by that body for the maintenance of world peace.

Recently there occurred an incident in connection with which we felt most keenly the lack of a United Nations defence force, and I refer to the severe tension which obtained, and to a great extent exists even today, in the Middle East. At the height of that crisis the leaders of Canada, Great Britain and the United States seemed to be at a complete loss as to what action they should take if the situation became worse. I am sure we are all glad that a conflagration did not take place at that time, but that incident revealed the urgent need for some plan of action on the international level being established before we are in the middle of a crisis.

The minister and the member for Esquimalt-Saanich referred to that incident. However, the member for Esquimalt-Saanich also pointed out that when the Korean incident occurred we were really not prepared, and the United Nations as an international force was really not prepared and not in a position to meet the situation. It was only because we were fortunate enough to be able to engage in some delaying action that the forces of the supporting members were rallied and a long-term defence against aggression was undertaken.

If we are spending almost $2,000 million for our national defence we might as well give some serious consideration to having at least some of that money devoted to an international police force whose responsibility it will be to be ready for any little emergency that may arise; and little emergencies, as we know, can sometimes involve the whole world in armed conflict.

I also realize that Canada as a nation is too weak to have a defence policy of its own. We cannot act unilaterally; it would simply be a complete waste of public funds. If we are ever involved in a major world struggle, Canada alone cannot even defend her own shores. Therefore military organizations may be necessary. I have indicated that I would prefer to see that military co-ordination under the auspices of the United Nations. That may not be entirely realistic in the world in which we live, and we therefore have our NATO organization.

As I observe what is happening in the Department of National Defence, I get the feeling that Canada even today is still pursuing, for the major part, a unilateral defence policy. I will admit that there is some co-operation with our neighbour to the south and some of our NATO allies. However, the basic assumption still seems to be to build up a national defence force. I feel that the major emphasis should rather be on making our fair contribution to a united effort on the part of the western democracies, and making our fair contribution to world effort on behalf of maintaining peace.

Then I think the shift from the military to the economic front in the so-called cold war has particular significance for a country such as ours. I believe that in this shift may well lie not only the salvation of world peace but

our own economic salvation. We are producers of many of the basic needs of the world, and some of them we have in excess. We do not know what to do with the surpluses we have. If the cold war were really fought on the economic front, we would find ample markets for all the products that Canada is now producing and also for those we would be able to produce if we made a sincere effort to produce to win, as some years ago we made an all-out effort to produce to win the war.

We have the Colombo plan, to which we make a contribution. We make a contribution to the refugee assistance program, the United Nations technical assistance organization, the world health organization and various other international organizations. However, our sum total of contributions on the economic front thus far has been most insignificant when placed in relationship, first of all, with our ability to donate and, second, with the expenditures on the military side of the battle for men's minds.

We have at the present time a department of national defence which spends over $100 per annum for every man, woman and child in our nation. The ordinary people of Canada have a right to know something of what they are getting for this continuous, heavy expenditure of public funds. We had an explanation given us by the minister the other day in regard to the radar lines, which are among the most expensive of our defence expenditures. As recorded on page 5211 of *Hansard*, he said:

> These are projects of great difficulty and magnitude—costly, but we believe worth the cost. For they will buy us time—time to get the big United States deterrent force of bombers with their nuclear weapons winging away on their missions should the need arise, time to get our defences activated, time to prepare our people for impending attack.

I must agree with the first reason the minister gave for the existence of radar lines. Anyone knowing the world situation and looking at the globe will have to admit that. However, I must take exception to the last part of his sentence, when he says these radar lines will give us time to get our defences activated, time to prepare our people for impending attack. I believe the minister is not telling the whole story when he says that. I believe that when these radar lines were first initiated that was possibly the greatest reason for initiating them. However, if the minister has, as I am sure he has, read the statistics on the performance of modern aircraft, of the Russian accomplishments and so forth, I think he will have to admit that none of our radar lines—the mid-Canada line, the "Pinetree" line or the distant early warning line, will in any shape or form, for any practical purposes, be able to warn our people to prepare themselves to resist the effects of an attack. That has become outmoded. A sentence like that five years ago might have been acceptable to this house, but in 1956 it is no longer valid.

With many other members of this house I went to the military installations at Fort Churchill; I believe it was a little over a year ago now. There is one recommendation I should like to make in connection with that. Wherever possible I think the efforts of the Department of National Defence should tie in with the national life of Canada, so that more Canadians will know that we actually have a department of national defence and so that as many Canadians as possible will at least receive some of the benefits of this large expenditure of money.

When I refer to Fort Churchill, what I have in mind is this. Here we have the military camp supplied with purified, running water, all the sanitary services you could wish for, hydroelectric energy and so forth. Yet only a very short distance away we have the old Fort Churchill where the ordinary civilians live, and they have no sanitary facilities, no water supplied to them. None of the amenities that are available and supplied to the armed forces there are extended to the civilian population. I feel that with a little bit of extra money the people living there in Canada's north could receive some of the benefits of having the military camp next door.

I heartily endorse the need expressed by my colleagues and also the members of the Conservative party for a committee on national defence. I think the Canadian people and the members of this house in particular are not nearly well enough informed about what is happening, what is being done with the money. I realize there may be need to maintain some of these expenditures on the secret list. However, when you look at what is happening in other democratic countries of the world I doubt very much whether you will find another western nation where the minister in charge of defence is given authority to spend $1,700 million odd and nobody is able to investigate to find what is actually being done with the money.

Furthermore, I maintain that there is great need for more public relations efforts on the part of the minister's department. The ordinary taxpayer back home sees only the advertisements inviting him to don a uniform. He sees very little else of what is being done by the Department of National Defence. I think a percentage of the money could very well be devoted to an explanation to the public, in ways by which other departments of the government well know how to obtain

public sympathy and understanding, of what we ought to be doing; and if the public find out we are not doing what ought to be done they will be able to do something. No one wants to be responsible for endangering the safety and welfare of his own nation, yet people are not supplied with the information that is needed. Therefore one can sympathize with people when they begin to raise serious questions.

Finally may I say that my main purpose in rising tonight was to say that I believe that unilateral defence for Canada as a nation is outmoded, useless and a complete waste of money. In my opinion we must collaborate with the other nations of the western world, and especially must we bear in mind that at no time shall we harm the possible collective security that may well be set up some day for the safety of the world by the world-wide organization, the United Nations.

Mr. Green: Mr. Chairman, this evening I should like to deal briefly with three different subjects coming up or not coming up under the estimates of the Department of National Defence. The first is the program of defence research and development. If hon. members will turn to page 339 of the estimate book they will find that the minister is asking for defence research and development in the current fiscal year the sum of $79,032,389. Last year he asked for $52,578,000, so there is an increase in that particular estimate of practically 50 per cent. Of that increase of over $26 million, more than $21 million, according to the estimate book, is for the acquisition and construction of equipment, the total amount required for that purpose, including the increase, being practically $50 million. That is by far the largest part of the defence research and development vote.

Incidentally, it is interesting to recall that in the fiscal year 1954-55, two years ago, the amount asked for research was $50,400,000, and that in each of the two preceding years it was only $42 million. Therefore we are now being asked to vote almost twice as much for research and development as was voted in the years from 1952 to 1954. This amount of $80 million is a very large sum of money. I remember sessions just before the war when $65 million was voted for the whole Department of National Defence, and everyone thought that was a very big expenditure. Now we have $80 million for this one particular portion of the work.

I suggest to you, Mr. Chairman, that parliament should have some check on this expenditure for research and development. This session we have set up a committee on non-military research, but so far as I know there has never been any committee of the house with the power to inquire into the ways in which the money voted for research was being expended by the Department of National Defence. I realize that some of the work must of necessity be secret, but even in the days of the war there were committees with the power to go into many expenditures of a similar type, and I see no reason why there should not be a committee of the house at the present time. Probably the committee on national defence suggested by my leader this afternoon would be the one to undertake that work. We have the position today that very large sums of money are being sought for defence research without any adequate check whatever on the part of the members of the house.

In connection with the research and development program I ask the minister to tell the committee the cost to Canada of the "Velvet Glove" project. We find it referred to on page 35 of the white paper. It seems to have been at least one of the main projects of the defence research board, and the white paper has this to say:

> Shortly after the inception of the defence research board in 1947, a small group of the board's scientists began studies in the guided missile field. In recognition of future Canadian needs for special air defence weapons, and under arrangements with United States and United Kingdom authorities, the board concentrated on the family of air-to-air missiles.

Apparently that was to be Canada's field, air-to-air missiles.

> In 1950 it was decided to undertake a practical but experimental Canadian project. The prime purpose of the project was to build up within the board's staff and throughout Canadian industry a team of scientists and engineers capable of developing and producing guided missiles in this country, while familiarizing officers of the Canadian services with problems and techniques involved in using such weapons.

Then the report goes on to say this:

> 126. Known as the "Velvet Glove", this project has resulted in the training of some 400 specialized personnel in Canada, and has been accompanied by the development of facilities for research, testing and evaluation of guided missiles. A limited number of missiles are being produced, particularly for testing and training purposes at the R.C.A.F.'s establishment at Cold Lake, Alberta. Canadian industry has made progress towards developing design and manufacturing capability in this complex new field.

By the way, earlier in this particular section of the white paper it is stated that the principal increase in the vote for research and development is directly related to anticipated expenditure in connection with the CF-105 airplane, and the guided missile program. Hence even in this vote that we are considering tonight there is a great deal of

money presumably for this guided missile project. Then the white paper goes on to say this:

127. On the basis of this preliminary work Canada is now working out arrangements for the production in this country of a United States type of air-to-air missile, in order to make Canadian interceptor aircraft better able to perform their role in the air defence system.

That white paper does not make it clear that the "Velvet Glove" project has not been successful. The minister did that when he spoke yesterday. As reported at page 5214 of *Hansard* he said this:

The pioneer work was done on the "Velvet Glove", which so far has fully come up to its original specifications. However—

And this is a very big "however"; this is the part that indicates that the whole project has not been a success.

—because a somewhat similar United States missile is of more advanced design, it has been decided not to adopt "Velvet Glove" for operation use, but to modify the "Velvet Glove" program and go into production of one of the Sparrow series for use with the CF-100 and the CF-105.

It would appear that at least some and probably a great deal of the money that has been spent on the "Velvet Glove" project has gone down the drain. I ask the minister, when he replies, to tell the committee just what amount of money has been spent on this "Velvet Glove" program.

Again, another point in connection with research is this. What consideration is given to long-term defence requirements before any particular research project is authorized? I ask that question because General Simonds raised it in his article in *Maclean's* magazine. I do not know whether or not General Simonds is right in all his statements in this magazine, but in any event he is one of the most distinguished soldiers this nation has ever produced. Probably we have never produced a finer field commander. He has served as chief of staff and, as we all know, he served with distinction. His statements must carry weight. Even if they do not carry much weight with the government I am sure they do with the Canadian public as a whole. These statements he has made should be answered by the Minister of National Defence in the course of this debate.

General Simonds has this to say. He refers to the navy and the air force. I do not know whether he left the army out because he is an army man, but at any rate in this particular part of the article he says this:

Thus the navy and the air force, which sustain a large sector of the shipbuilding and aircraft industries (the latter existing almost entirely upon defence expenditures for research, development and construction), are encouraged to embark on new projects, without too searching a consideration of whether what is being researched, developed or constructed necessarily represents the most valuable contribution to defence in the longer term.

Then he gives two examples. He says:

Thus, having regard to its timing, the wisdom of embarking upon the development of the CF-105 fighter is open to serious military objections. It should be abundantly clear by now that the ground-to-air missile offers the only prospect of eventually counterbalancing the existing ascendancy of the offensive in terms of aerial warfare. If, as many believe, there may be a dangerous time gap to be covered by some form of defence, after existing fighters are obsolete and before a really reliable ground-to-air guided missile is available in operational quantities, then it would have been both more sensible and economical to have adopted a prototype fighter developed by the U.S. or Britain as a gap-filler rather than to embark on an expensive venture of our own, the product of which at best will have a very short, if any, useful operational life.

I stress these next words:

The combined vested interests of the air force, the aircraft industry and defence research scientists, burning with zeal to participate in a project they could call their own, coupled with the known desire of ministers to maintain a defence effort with a strict manpower ceiling, swept aside any opposition to this venture.

He also has a similar criticism of the mid-Canada line. He says this:

The mid-Canada line with its "McGill fence" equipment could be justified as a stop-gap measure if there should occur an appreciable time lag between its completion and the completion of the D.E.W. line. It is difficult to understand what useful part it can fulfil in a defence system based upon guided missiles, which is a "must" of the not-distant future, if an even adequate defence is to be provided against offensive air power. The United States has pressed the construction of the D.E.W. line with such vigour that it is for serious consideration whether the arguments for construction of the mid-Canada line were not powerfully influenced by a desire to put to use gadgetry—

He uses this word "gadgetry" several times throughout the article, presumably referring to the defence research board.

—evolved in Canada at considerable effort, rather than considerations of what would provide the best defence, most capable of adaptation to new weapons as they evolved.

Those criticisms may or may not be justified, but they should be answered fully by the Minister of National Defence. It just may be the case, Mr. Chairman, that in our defence research effort we are spreading the money over too many projects. It might be better to concentrate and also to be a little more careful about giving directions for the start of any particular project.

The second subject I should like to mention tonight arises also out of the article by General Simonds. I refer to the present status of the permanent joint defence board. The general points out in the article—and correctly, I think—something in connection with the permanent joint board on defence;

that is, of course, the Canadian-United States board. He points out as follows:

> The existence of the permanent joint board on defence adds further confusion to the direction of our military affairs.

He seems to think it is a fifth wheel to the coach. He continues:

> This organization came into being during the period of world war II when Canada was a belligerent and the United States was still neutral, and at that time was a useful instrument for obtaining some co-ordination of measures for North American defence. Now it simply acts as a barrier to closer liaison between the Canadian and U.S. chiefs of staff, and is redundant in so far as its military activities are concerned.

That is a very serious charge in view of our association in the defence field with the United States. Then General Simonds goes on:

> But the chairman has a more ready access to senior cabinet ministers than have the chiefs of staff. Whatever the terms of reference may be, many of the expressed views of ministers bear the unmistakable imprint of the influence of an intellect more remarkable for its bias toward pseudoscience and gadgetry, than for its record of sound military judgment.

These are rather harsh words about the Canadian chairman of the joint defence board; but what is the function of this board today? Why is there need for a permanent joint defence board working on its own when we have such close liaison between the two countries in military affairs? Surely that work should be done by the Canadian chiefs of staff rather than left in the hands of any outside board. What useful purpose is this joint defence board serving at the present time?

Then my third and final subject is this, Mr. Chairman. We read in the very first paragraph of the white paper about Canada's defence objectives. These are the broad defence objectives. This is the way the paragraph reads:

> The aim of Canada's defence program and planning is to provide for the security of Canada. Under present foreseeable conditions this can be done most effectively by close co-operation with our allies in the North Atlantic Treaty Organization, and especially with the United States in relation to the North American area. Our defence plans must also include a capacity to carry out obligations that may arise out of Canada's membership in the United Nations Organization.

I point out that there is not one word in this paragraph, or in any other paragraph in this whole white paper, about the commonwealth, not one word about co-operation with the commonwealth in defence matters. Surely one of the main objectives of this nation in defence matters should be co-operation with the other nations of the commonwealth. Young men from these commonwealth nations fought side by side in two wars. In the first war we had Australia, New Zealand and South Africa, we had troops from India, beside us time and again in France; and you could have no finer troops beside you, as I think the minister will admit.

Mr. Campney: That was also true in Korea.

Mr. Green: Even Field Marshal Rommel, in the second world war, repeatedly expressed his great admiration for the New Zealand division, and considered them the finest troops facing him in North Africa.

In the second world war our young men fought and died beside young men from the other nations of the commonwealth. I saw, and probably the minister did too, the first young air force recruits under the commonwealth training plan go through Vancouver from Australia. Many thousands of them came that way, trained here in Canada and then flew their machines with our own Canadian pilots and navigators. Young men of the commonwealth saved civilization just a few years ago, and for a year they stood alone to do it. In 1941, with the exception of the short time that Greece was able to stand up against the nazi hordes, the British commonwealth stood alone and saved civilization.

And, by the way, things might have been different if it had not been for the young men who were trained in Canada in the air. It might also have been a great tragedy if the original plan of this government not to allow any British or other commonwealth airmen to come here and train had not been changed, and changed very suddenly.

This was what happened just a few years ago. Just 11 years ago these young men from the different nations of the commonwealth were fighting side by side and saving civilization. A few years ago in Korea we had the commonwealth division; yet today co-operating with the commonwealth is not even mentioned as an objective of the Canadian government in defence matters. I suggest to the minister that the present is a very appropriate time for something to be done about this failure. The Prime Minister is going to London within the next day or two to attend a meeting of the prime ministers of the commonwealth. Let him at that conference raise some of these defence questions.

For example, why should Canada not extend her present air training plan to include young airmen from other parts of the commonwealth, from the nations of the commonwealth that do not belong to the North Atlantic Treaty Organization, the Australians, the New Zealanders, the South Africans, the Indians, the Pakistanians and the Ceylonese; any member nations of the commonwealth

that wish to participate in this training plan. At page 14 of the white paper I find the following:

> At December 31, 1955, under the NATO air crew training plan carried out at R.C.A.F. establishments in Canada, a total of 1,741 pilots and 2,130 navigators, including observers, had graduated and a further 939 trainees were on course. These trainees have come from Belgium, Denmark, France, Greece, Italy, The Netherlands, Norway, Portugal, Turkey and the United Kingdom.

Why not extend that scheme and allow young men to come from other nations of the commonwealth?

Why not co-operate with the other nations of the commonwealth in the guided missile field? The British have proving grounds for guided missiles in Australia. They have done a great deal of work in that field. Why should not our Prime Minister suggest at the conference that all nations of the commonwealth which wish to do so should participate in a common guided missile project? These are the type of things which will have to be done. If they are not, if we just allow the commonwealth to drift along without facing some of the realities in the world today, I doubt very much whether it will continue in existence for a great deal longer.

Our defence effort and our defence expenditures are designed to prevent world domination by the communists. That is the one reason we are spending all this money in Canada for defence. If war comes, we all know that it will not be only in the North Atlantic treaty area; it will be a global war. It will be just as hot on the Pacific as it is on the Atlantic, and perhaps quite a bit hotter. Some of these commonwealth nations will not co-operate with NATO, but I believe they would be willing to co-operate with the other commonwealth nations in the fields which I have suggested. Co-operation of the commonwealth nations in a third world war might well be the deciding factor.

I urge upon the government, particularly on the Prime Minister and on the Minister of National Defence, that in our own interests we should leave no stone unturned to further co-operation among the commonwealth nations in defence matters at the present time. Some may not be willing to go very far; others might be willing to go the whole way, but let us at least do our part to further that type of co-operation among this group of nations which give allegiance to a common sovereign, our gracious Queen Elizabeth II.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, this house is fortunate in that its membership includes hon. members with great experience in all branches and at all levels of the armed services. I have personally met among its members those who have held ranks ranging from general down the line to buck private. They probably bring to bear on the problems of national defence as much personal experience and knowledge of these problems as any group of men anywhere in Canada.

Many of the matters which are discussed under the estimates of the Department of National Defence do require a high degree of technical knowledge and practical experience in one field or another of the armed services. Those of us who may not have had such extensive experience in that field are well advised, I think, to leave to the experts commentary and discussion in their field of special knowledge. On the other hand, there are many things which affect the Department of National Defence and many matters which come under its control which are reasonable grounds for discussion, comment and examination by anyone in this country, whether he be a civilian or an armed forces expert. The very extent of the department's budget, the amount of money it spends, would seem to bear out the truth of that statement.

I remember reading not so long ago that it takes the wool from 20 sheep, I think it is, to clothe a soldier; and I thought to myself at the time that to keep that man in the field it also takes the hides of about 30 taxpayers. I do not think, Mr. Chairman, any citizen of Canada objects to the expenditures on national defence where they are justified and properly made, but I do think every citizen of Canada and every hon. member of this house has ample justification for questioning certain of those expenditures and for feeling at many times that these expenditures are made without proper explanation to this house and sometimes, when we do find out how and why they have been made, without sufficient justification.

We must remember it is extremely likely the world will remain in a state of armed preparedness during our generation. There seems to be little likelihood of any major change in international relations in the foreseeable future that would permit us to beat our swords into plowshares. If, then, we are to remain in a state of armed preparedness, and if we are to be asked year in and year out to spend millions of dollars for national defence, we will have to adjust our thinking and approach to the subject of these expenditures to a peacetime concept rather than a wartime concept. By that I mean that a certain attitude of mind toward such expenditures which may be allowable and understandable in time of war should not be carried into peacetime. In brief it is the attitude that says, "Hang the expense. We must do the job at any expense and

immediately, even though we are not absolutely sure the job needs to be done immediately".

That is the attitude one expects when one is under the gun, but it is not necessarily an attitude that is justified when the world is in a period of cold war, of planning and preparing for what at any moment may break out into a hot war but a hot war which certainly has not arrived as yet.

Second, in this matter of changing our attitude, Mr. Chairman, it would seem the necessity for the wartime attitude that everything connected with national defence, defence expenditure and all varities of activity in that field should be cloaked in secrecy may have to be altered. I do not think it is quite reasonable to expect the people of this country to continue year after year to willingly vote any amount of money requested by the Department of National Defence unless that department is prepared in peacetime to go further than it has to date in co-operating with this house in laying before it the details of many aspects of its operations.

It has been pointed out, and rightly so, that there are some things which should not be made public; but let me ask, Mr. Chairman, is there some marvellous capacity residing only with the armed services of this country which makes them the safe repositories of restricted information and renders a small committee of this house a doubtful repository for the same information?

Within this field of restricted information it might very well be said that all the details cannot be brought into the house and laid on the table in the full sight of every hon. member of the house and the press gallery. Through those channels, and correctly so, the information becomes the property of every resident of Canada no matter where his national or international sympathies may lie. But surely the type of committee which it has been suggested should be set up on an all-party basis could be taken completely and absolutely into the confidence of the Minister of National Defence and given all the information it required. Surely there are many, many aspects of national defence now kept under this cloak of secrecy which could easily and properly be brought into this house, explained to us and, if necessary, the accompanying expenditures defended before us. The best evidence of the government's unwillingness to do this has been their recurring refusal to refer the estimates of the Department of National Defence to the committee on estimates. Without labouring the point may I say that I hope the government will see fit to change this attitude at the next session of this parliament.

Having made these general remarks I should like to deal for a few minutes with some of the expenditures of the Department of National Defence very much as a taxpayer of this country might see them. Of course I cannot touch on every individual item, but there are a few which seem to require some explanation. In one field, for example, the department seems to be engaging in operations which could be carried on quite successfully by private enterprise. Indeed, I think this is one of the weaknesses of any over-large government department. Eventually they come to the conclusion that as ancillary operations to their main purpose they should carry on a multitude of functions. They are quite sure they can do these better than private enterprise, and they insist on carrying them on without any attempt whatsoever to divest themselves of the responsibility.

As examples selected from the last report of the Department of National Defence we find that they are in the restaurant business in a reasonably sizeable way, in that in the year under consideration they sold over $64,000 worth of meals. Then we find that they are in the photographic business, because they sold over $81,000 worth of photographic supplies. Then we find they are in the laundry business, because they took in over $160,000 for doing laundry. I am quite sure that if I were prepared to dig a little further I could find a list of other items, but I give those as typical examples; the restaurant business, the photographic business and the laundry business.

Let us realize that these three things are by definition not operations which are carried out for the Department of National Defence as such, because had they been these sales would not have been made. What I have just quoted indicates the actual dollar revenue received by the Department of National Defence for sales under these various categories.

This raises two points. First there is the whole question of the propriety of the Department of National Defence carrying on functions which might very well be carried on by private enterprise. In isolated cases there may be some justification for this particular course of action, but I am not at all sure that it exists everywhere it may be pleaded. It is very easy to claim that one must operate a restaurant and serve meals, for example, if one has not gone out and made a series of honest attempts to find somebody to come in to operate that particular restaurant for the Department of National Defence.

Second, and this is perhaps even more basic, there is a difficulty, under this system

with the government engaging in operations of this kind and with their cloak of secrecy draped around them, of establishing whether the various activities of the department are really being effectively and efficiently and economically operated. I find amounts coming into the department under the various categories I have mentioned, but nowhere in the departmental estimates can I find any corresponding expenditures. I hope when the minister replies he will give us a little breakdown of what the costs were as opposed to these various sales. If we are going to be in business, if we are going to sell merchandise, if we are going to sell supplies, I think we have every reason in the world to know the details of the business we are operating. I suggest that by no manner or means is this classified information.

When we go on a little further we find that although education is completely a provincial matter the Department of National Defence is very actively engaged in educational activities, presumably at the grade school and high school levels, not only for their own personnel, although they have that too, but I submit specifically for the education of dependents. It may come as a surprise to many people that there are some 17,000 children attending schools operated by the Department of National Defence, and that those schools employ some 668 teachers from coast to coast in this country.

It must be admitted that if we set up a defence post in some completely inaccessible part of this country and ask men to go there with their families and there is no educational system in the area the government has a responsibility to provide educational facilities for those children. That I am quite prepared to admit. But where are these schools? Many of them are in major centres. In Calgary there is a school with 876 pupils; in Edmonton there is one with 303 pupils; in Shilo, Manitoba, not far away from a major centre—there are those from Shilo who would be offended if I did not indicate that Shilo itself was a major centre—there is a school with 648 pupils.

I come on down the list and find that at Petawawa there are many children of non-military personnel who go to the regular schools of Ontario, but the army has set up a school with 34 teachers and 884 pupils. I could go down the list indefinitely, which I shall not do, and point out the major centres in Canada where these schools have been set up.

It may be argued that the department might suddenly develop a base and find that the educational facilities provided by the province are not sufficient, and they then have to move in to meet the demand which they have created. However, I suggest that is exactly the type of mentality to which I have referred before, the mentality which says, "We will do it ourselves under federal government auspices rather than to seek the solution through the normal channels of free enterprise and the governmental system of this country at the provincial and municipal levels." If the government has a school to accommodate 800 pupils, they must have built the building. It seems to me that whether that building was built directly by the federal government or whether the federal government turned over the necessary funds as a municipal grant and had the building built by the school authorities of that area, it would have cost approximately the same amount.

It seems to me that the teachers who are teaching those pupils might just as well have been hired by the educational authorities of the province as by the federal government. It seems to me, and I think to a great many people in this country, that if the second course of action had been followed, the one which fitted this type of operation into the normal structure, the structure that Canadians as a whole would like to have in this country, rather than having the domineering and dominant control of the Department of National Defence we would have had a system that would be more satisfactory and that would better meet the needs and the demands of our Canadian civilization and economy as we know it.

Without going into details, although I have them, I would point out that the Department of National Defence is also in the housing business in a big way. It seems possible for all other areas of Canada, and all other segments of the economy, to build their own houses—very often, admittedly, with government loans—but it also seems that the Department of National Defence for some reason must produce some 15,000 houses across this country rather than letting the free enterprise system, through the normal channels which are available to it, do exactly the same job.

We find the department in a number of other fields, and it shows how this mentality can gradually develop. Without going into the details I could tell the minister, for example, that his department needs many bookkeepers for the Montreal area, I imagine, for stores and so on. Did they think of arranging a contract with a local business college or anything like that in order to train these people? No. I have here the civil service notice advertising for an instructor in bookkeeping to work for the Department of National Defence. His duties are exactly the same as those which

would be carried on by an instructor in bookkeeping in any commercial college or business school in this country. I shall just read the first part:

> Under direction to instruct naval personnel in the principles and practices of bookkeeping; to assist in the preparation of training syllabi in the above subject; to draft and mark interim and final examinations . . .

I suggest that this type of thing is much better carried on through the normal processes. There are tens of thousands of bookkeepers in this country who received their education and training without the blessing of the Department of National Defence. If the department wants bookkeepers, it seems to me that the course for it to follow is to arrange with a school already set up to do the job for it.

Then you can go one step further and see again how this mentality expands and develops and moves ahead. I hold in my hand two pamphlets. They are interesting. They are well printed and effective. Inside the cover is the following statement:

> The kind permission of the Royal Canadian Air Force to make the text of this training pamphlet available to the public is gratefully acknowledged.

I presume the pamphlets were previously restricted information. The title of one is "Beginning Hockey", and the title of the other is "How to Play Better Hockey." I am not opposed to the Department of National Defence encouraging its men to play hockey. It is a wonderful sport. It is a very good idea that the men should be encouraged and that they should be properly trained. But I suggest again that without the help or cooperation of the Minister of National Defence, there are tens of thousands of youngsters and young men across this country from coast to coast who have learned to play hockey and learned to play it extremely well. There are possibly thousands of those who also have read about hockey in pamphlets or books which they have bought at the corner bookstore, but here we have the Department of National Defence invading the publishing field and the sports field with their own pamphlets on how to play hockey.

Then we may go one more step, and perhaps this is the most interesting one of all. I hold in my hand a very well taken photograph of some 40 Royal Canadian Ordnance Corps cadets. They are in uniform, and parading in front of them is a man who would make a very good toothpaste advertisement, a very handsome man and well qualified man for his job. The reason he would make a good toothpaste advertisement is that he is smiling broadly. These Royal Canadian Ordnance Corps cadets are attending the Rosita and Deno dance studio in Montreal for dancing lessons. As far as I can find out they are doing so under the aegis and blessing of the Department of National Defence. They certainly are in uniform, and they are certainly there in a body and, according to my information, they are certainly there as a national defence project. I think the minister could very well tell us something about this particular aspect of national defence work—dancing lessons for the cadets—and whether he plans to extend it into other fields and, if so, what those fields may be.

Let me make it very plain that I have no objection to ordnance corps cadets or any other men in the armed services taking dancing lessons. I have no objection to them taking lessons in playing hockey. I have no objection to them having all the amenities open to them, because they have a hard, exhausting and demanding job; but I do object, first of all, to the government getting into so many of these fields itself as part of its defence operations. Second, I object to, in other cases, the government sponsoring certain types of activities—and I think perhaps the dancing school is a very good example—which are hardly a proper part of the work of the Department of National Defence.

I may be criticized across this country. There may be those who feel that we now have a government which must cover all these fields and even extend as far as that. Perhaps I am just a hard-shelled, unregenerate Tory, but I cannot bring myself to believe that there is any point in the Department of National Defence lining up its cadets of a morning and marching them down en bloc in uniform for dancing lessons.

Mr. Knowles: The government could give lessons in fancy skating; it has done a lot of that itself.

Mr. Hamilton (Notre Dame de Grace): I will just touch on one other point in the moment or two that is left to me. There is a feeling on my part, and I think on the part of many Canadians, that this tremendous emphasis on security, necessary as it may be, may eventually find its way, as it has done in some instances already, into an invasion of our personal freedoms in this country as a whole and in this house.

I have already said that, as I see it, we are going to live under the shadow of war for this generation. I say also that the new weapons, the new concepts of warfare, have fundamentally changed the whole problem of security in our time and increased, in certain restricted areas, the necessity for information to be withheld from general consumption. But above all, Mr. Chairman, even though this is so, we must realize that these

measures are being taken for one purpose and one purpose only. These measures are being taken to protect our freedom as individuals, not our freedom as a state; because when we begin to argue that the state is superior to the individual we have lost sight of the whole concept of democracy.

These measures are being taken to protect our freedom as individuals, and we must never sacrifice that individual freedom nor must we ever allow that individual freedom to be taken away from us under the pretext that the Department of National Defence, or any other department of government, needs that measure of control over us on a broad, inexplicable and indefensible basis.

Mr. Trainor: Mr. Chairman, in common with the hon. member for Fort William I cannot lay claim to any particular aptitude to discuss the estimates of the Department of National Defence. However, unlike the hon. member, I do not share his distaste for those whom he regards as brass hats, and I would remind the hon. member that he comes perilously close to the crime of lèse-majesté inasmuch as he has nearly criticized a minister, and I am sure he could not possibly tolerate that particular crime.

I think every member of the house would be interested, as I was, in the remarks of the hon. member for Cape Breton South and his admiration and approval of the Soviet economic system. That was extremely interesting to me, because it indicated a tacit recognition of the fact that the system of democratic socialism is bankrupt and that the only way in which it can possibly function is by adopting the principles of communism.

Mr. Gillis: You ought to get a good doctor to look at your ears.

Mr. Trainor: I heard it.

Mr. Gillis: You read it tomorrow.

Mr. Trainor: Mr. Chairman, one particular point that struck me in this debate was the demand made by my leader for a parliamentary committee to examine these estimates, because it becomes very obvious to everybody as the debate proceeds that nobody has the slightest knowledge of what these estimates are all about. Nobody is in a position—I was going to say "including the minister" but possibly I might make an exception in his case—to know what they are all about. Therefore I suggest to the minister and to the Prime Minister particularly that it is difficult to see how this suggestion or demand can possibly be ignored, and I trust that we will have this opportunity. Those members of the House of Commons who have some conception of military and defence affairs generally would have an opportunity to examine these estimates and present a report to the rest of us.

I think this is an extremely reasonable request or demand, and I would certainly urge it on the Prime Minister as almost a necessity; because I do not think the people of this country are going to be satisfied if they know that about half the annual budget is being passed without anybody having a critical look at it, and that is exactly what is happening under present circumstances.

If the government will not accede to this demand, I believe the people of the country will make their wishes known in no uncertain terms. My final word is an appeal—I put it on those grounds—to the Minister of National Defence to use all his influence with his colleagues, particularly with the Prime Minister, to see that this aim is achieved. I am quite certain that in the long run he will be very much the gainer.

Mr. Hamilton (York West): Mr. Chairman, I think the thing that strikes me most about the position I am in tonight is that again I am the last speaker in this phase of a debate. I do not mean to imply to the minister that he is not going to have any trials or tribulations tomorrow, but for tonight I will be the last speaker to whom he will listen.

I cannot help but remember that only a few short days ago I was the last speaker in the pipe-line debate. At that time the galleries of the house were filled, members of the press were most interested in the activities in the house, and almost every chair in the house was occupied. Yet we were talking about the expenditure of something like $200 million in total, most of which the government contended they were going to get back, if not all. Today we have been talking about the expenditure of $1,775 million, and as far as I am aware the only one who has spoken on behalf of the government, in addition to the minister, has been the hon. member for Fort William, who told us to trust in God and keep our powder dry.

It is a sad state of affairs, Mr. Chairman. Are none of you gentlemen over there interested enough in $1,775 million to have a few questions to ask the minister?

An hon. Member: Give us a chance.

Mr. Hamilton (York West): If you are waking up you will have a chance tomorrow. We on this side of the house certainly hope you will take advantage of it.

Mr. Chairman, I wonder how this white paper is drawn up. Is it drawn up for the purpose of precluding one little peek at the expenditure of this money? I have ten full pages of notes on the minister's statement,

but after listening to him I ask, has his statement been designed to preclude, if at all possible, a single question about this blank cheque the government wants?

Oh, Mr. Chairman, let us not make any mistake about it. It is a blank cheque, because it is the identical amount that was signed last year in this very house. When you arrive at the figure, Mr. Minister, I wonder how you do it. To these men who go to work on that budget of yours do you say something like this: "Last year I got through $1,775 million, and if I could get it through last year I think I can do it again, and you will have that much money to play with. Put it together and come back and see me." There is every indication that this was the method used to arrive at this total. Let there be no mistake about it, Mr. Chairman; there is evidence of that kind in this book.

We complained about certain things last year. We brought them up in connection with the examination of these estimates. As an example we say, "How is it that when you are employing more civilians, your travelling costs are higher?" You say that is the reason you employ civilians, because then you do not have the additional expense of moving personnel. There does not seem to have been an explanation for it last year. This year you bring in the book and you make sure that on one page here it is mentioned that travelling costs are down $1 million. But at the same time you make up for the saving because you go on hiring messmen, runners, stenographers and clerks, and you ensure that the total comes out just the same.

When I look at these estimates for further proof of what I am saying, I see in here—and this is to be found at page 337—an item for repairs and upkeep of motors or engines for aircraft. Last year the amount was $119,344,000. This year your experts sit down, Mr. Minister, and they work with their sharpened pencils; and what do they come up with? They come up with $119,292,000.

It seems to me, Mr. Chairman, that is the reason it is not deemed advisable for this house to have a committee to look into these expenditures. Maybe in connection with the work sheets, they work from bottom to top instead of from top to bottom. Maybe they take the total they are sure could pass this house and they work it back until they get to the top of the page. Oh, Mr. Chairman, there is plenty of reason for the committee that my leader has asked for today. Here we have estimates making up almost one-half of the total expenditure in the budget for this year, with not a chance for an itemized statement to be examined by people who are qualified, or to examine people who are qualified to give the answers.

Mr. Chairman, I recall that last year I read an editorial which said that the opposition must break through. I am not exactly sure what we are going to break through. This is the most illusory opponent that any opposition could grapple with. When I say that, Mr. Chairman, I am not referring to the minister personally in any way, but I say I am sure that he is surrounded by the hard crust and the hard core that Lieutenant General Simonds referred to in his article in *Maclean's* magazine.

Mr. Pickersgill: How can you be surrounded by a hard core?

Mr. Hamilton (York West): You ought to know, because you were fortunate in coming up from that hard core and landing in the seat you have now. You ought to try the other way of getting into this house; then you would find it a little more difficult to make the quips and cracks that you make.

But I say this, Mr. Chairman. I agree with my leader that we do not adopt these charges and say they are true. But when the ex-chief of your army staff makes charges like these we say it is time we had a committee appointed to investigate and find out as to their truth. I might say tonight, Mr. Chairman, that for my own part I would prefer it if perhaps some of the generals said these things before they retired.

Mr. Herridge: Hear, hear. So would I.

Mr. Hamilton (York West): I would prefer it if perhaps the principle were great enough for them to say these things; if perhaps the principle were great enough for them even to risk the position they held, because there is no doubt about it that these things need saying. But let there be no doubt about it, Mr. Chairman; the evidence is here which requires an answer in only one way, and that is by a review of these expenditures before a committee of this house.

Mr. Chairman, that is all the time I have tonight. May I call it ten o'clock?

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take interim supply and then continue with these estimates. On Monday we shall move to go into supply.

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

HOUSE OF COMMONS

Friday, June 22, 1956

The house met at eleven o'clock.

BRITISH COLUMBIA

REQUEST FOR COMMEMORATIVE DOLLAR ON OCCASION OF CENTENARY CELEBRATION

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Minister of Finance. Coming as I do from the silver city of Canada, I should like to ask the Minister of Finance if he has decided upon any way of commemorating the centennial of British Columbia. There have been several requests to have the department strike a silver dollar before the celebration in 1958. Has the minister come to any decision on that matter?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, in answer to the hon. member's question may I say the government has decided to issue a coin to commemorate the one hundredth anniversary of the gold rush and the creation of British Columbia as a crown colony in 1858.

In order to do so we have decided to hold a competition of Canadian artists and sculptors for a design for a commemorative silver dollar. A committee under the chairmanship of Mr. A. P. Williams, master of the Royal Canadian Mint, will judge the entries. A prize of $1,000 will be given to the artist who submits the design that is accepted and four additional prizes of $250 each may be given for those receiving honourable mention. The competition will close on December 31, 1956.

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, may I ask the Minister of Finance a question supplementary to the one he answered just a moment ago. Why strike a silver dollar in order to commemorate a gold rush?

Mr. Harris: As I recall, it was requested by the interested parties.

NATIONAL DEFENCE

REQUEST FOR SETTING UP OF STANDING COMMITTEE

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. Will the Prime Minister inform the house if he is prepared to announce that there will be set up a standing committee on defence in accordance with the proposal made to the government yesterday?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I cannot assure the house that there will be a committee set up on the model of the committee that functions in the United States. Our constitution is quite different and, as all hon. members know, under the express terms of the constitution all proposals for expenditure have to be recommended to the house by His Excellency the Governor General, whereas, I understand, under the United States system the estimates are really made up by the estimates committees of the two houses of congress.

Mr. Drew: Well, Mr. Speaker, will the Prime Minister agree to follow the practice at Westminster and set up a committee with power to call witnesses and to call for the production of papers under a procedure similar to that which brings before a committee of the House of Commons at Westminster senior staff officers and other senior officers in the British service?

Mr. St. Laurent (Quebec East): I am not sure that the British system goes that far. My own impression is that they can call the civilian personnel and the personnel of the quartermaster general, who operates under a separate statute. While I am in London I shall endeavour to ascertain just what is the practice and how it works out there.

Mr. Drew: One further supplementary question. In view of the statements which have been made by senior staff officers who until recently were relied upon by the government for their statements, would the Prime Minister before he leaves set up some appropriate committee which could call for evidence and the production of papers so that members of this house may have reliable information in regard to the facts relating to defence which is now under discussion?

Mr. St. Laurent (Quebec East): No, I cannot undertake to provide for the setting up of that committee before I leave this evening for the conference which is to open on June 27. I am leaving this evening so that I can take some part in the centenary celebration of the establishment of the Victoria Cross before the conference opens.

Inquiries of the Ministry

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance supplementary to the exchange between the Leader of the Opposition and the Prime Minister. Would the minister say what has happened to the consideration he told me he was giving to the question I put to him last Friday concerning the reference of the estimates of the Department of National Defence to the committee on estimates?

Hon. W. E. Harris (Minister of Finance): I thought the consideration had been ended when it was decided to call the estimates in committee of supply on Wednesday.

Mr. Knowles: As a supplementary question, may I ask if the house leader would now consider referring these estimates to the committee on estimates after the general discussion has taken place but before we reach the point of discussing the details?

Mr. Harris: Mr. Speaker, I am always ready to consider any suggestion, and this one having been made I shall consider it during the day.

GRAIN

CONSIDERATION OF REPORT OF GRAIN COMMISSIONERS AND WHEAT BOARD BY COMMITTEE

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I intended to direct my question to the Minister of Agriculture (Mr. Gardiner) or his parliamentary assistant, but in the absence of both perhaps the acting minister could answer. Is it the intention to send the report of the board of grain commissioners and the report of the Canadian wheat board to the committee on agriculture and colonization? Perhaps the Minister of Trade and Commerce could answer.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the reports of the board of grain commissioners and of the Canadian wheat board were referred to the committee several weeks ago.

Mr. Low: I was more concerned about when it is intended to call the committee. Time is going on and it seems that no effort has been made to call the committee to study these two reports.

Mr. Howe (Port Arthur): Of course I cannot answer that question because the chairman of the committee decides when it will meet. However, I would point out that the witnesses who are usually brought before the committee, that is the presidents of the several grain co-operatives and the president of the farmers' union, have been in attendance in Geneva for some weeks this spring. We are having the busiest period that we have encountered for some years as far as the movement of wheat is concerned. Some of the usual witnesses have expressed the view that they would be most reluctant to take the time to come before the committee this year. However, it is for the committee to decide whether it is necessary to have a meeting of the committee this year.

SALE OF STORED GRAINS BY RETIRED FARMERS

On the orders of the day:

Mr. L. E. Cardiff (Huron): I should like to direct a question to the Minister of Trade and Commerce. Is any special consideration being given by this government with respect to grain held by farmers that have retired and are not able to carry on further with farm operations, in other words, retired because of advanced years, without sufficient funds to live on and depending on moneys received from their large quantities of stored grain?

Right Hon. C. D. Howe (Minister of Trade and Commerce): May I inquire whether my hon. friend has reference to Ontario farmers or farmers in western Canada?

Mr. Cardiff: Western farmers.

Mr. Howe (Port Arthur): That is a matter which has been given a good deal of consideration. I am afraid I cannot give my hon. friend the answer at the moment but I shall have a prepared statement from the wheat boards as to the practice, which I shall be glad to give him next week.

BUTTER

INQUIRY AS TO MAINTENANCE OF FLOOR PRICE

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, in the absence of the right hon. Minister of Agriculture (Mr. Gardiner) and his parliamentary assistant I should like to direct a question to the Minister of Trade and Commerce, which he may prefer to take as notice. In view of the uncertainty left in the minds of both producers and consumers of butter by the answers given the other day by the parliamentary assistant with regard to the sale of 25 million pounds of butter at 2 cents per pound less than the cost to the government, what security has the butter producer that the floor price of 58 cents per pound will be maintained throughout June, July and August, the months during which I understand the delivery of the 25 million pounds is to be made? If the floor price is 58 cents and the government only buys about one-third of what the dairy producer produces, then what assurance has the producer

that the 56 cents, which is the price at which the government is selling butter into the trade —a greater amount at 56 cents than they are buying at 58 cents—with no particular quality distinction, and also what assurance has the consumer whether the consumer price is to be based on the 58 cents the government is paying for the butter or the 56 cents at which it is selling a larger amount?

I might also ask the Minister of Trade and Commerce to have the minister or his assistant tell us whether it is a fact that five million pounds of this butter has been sold in western Canada at a further reduction to the trade of 2 cents additional, with no assurance to the consumer or the producer.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Since my hon. friend has directed the question to me, I shall answer it.

Mr. Rowe: I said that it could be taken as notice.

Mr. Howe (Port Arthur): I shall draw it to the attention of the Minister of Agriculture. I expect he will be back in his seat next week.

PUBLIC SERVICE

SAINT-JEAN BAPTISTE DAY—REQUEST FOR HOLIDAY IN QUEBEC

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Secretary of State and the Minister of Labour, I am not sure who should deal with this question. The parliamentary assistant to the Minister of Labour or any minister from the province of Quebec might have the answer. In view of the fact that Saint-Jean Baptiste day falls on Sunday, is it clear that federal civil servants in the province of Quebec will get Monday as a holiday in the same way as federal civil servants in other provinces get the first Monday in August as a holiday?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I am the Acting Secretary of State and I shall take that question as notice.

Mr. Knowles: As a supplementary question, since the next time we reach orders of the day will be on Monday, June 25, I should hope that the Acting Secretary of State might be able to give an answer later today.

Mr. Pickersgill: I shall try to at 2.30.

[*Later:*]

On the orders of the day:

Mr. Pickersgill: Mr. Speaker, I wonder whether I may have leave before you leave the chair to answer the question asked earlier today by the hon. member for Winnipeg North Centre about Saint-Jean Baptiste day.

Mr. Deputy Speaker: Has the minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Pickersgill: I am informed by the chairman of the civil service commission that it is one of the regulations of the civil service that one day in the year shall be recognized as a holiday for the civil service in any municipality where that day is proclaimed as a civic holiday, that it is the custom in most places in the province of Quebec to proclaim Saint-Jean Baptiste day as a civic holiday, and that that has been done in the case of Montreal and probably in the case of many municipalities for Monday next. Of course in those places where it has been done municipally the civil service will follow the usual practice.

NATURAL RESOURCES

AUGUST FONTANA—PETITION REGARDING LOSS OF MINERAL RIGHTS

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I should like to direct a question to the Minister of Northern Affairs and National Resources. Could he inform the house when we might expect the documents on the Fontana case, as passed on April 3, I believe? It is a matter of some importance to this individual.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I had the impression that the documents had been tabled. I shall check on it.

NATIONAL PARKS

GARIBALDI PARK—INQUIRY AS TO FUTURE DEVELOPMENT

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Minister of Northern Affairs and National Resources whether at his forthcoming meeting with the appropriate officials of the government of British Columbia he will be prepared to discuss with them the future development of Garibaldi park?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I shall take the matter under consideration, sir.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO AMOUNTS ADVANCED TO DATE

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Is the Minister of Trade and Commerce now in a position to withdraw from his inside pocket an answer to my question of yesterday?

Inquiries of the Ministry

Right Hon. C. D. Howe (Minister of Trade and Commerce): It would be much more courteous if my hon. friend would leave out his comment about my inside pocket. However, I can answer the question. Northern Ontario Pipe Line Crown Corporation has received from the Department of Finance the sum of $20,000 for working capital and the sum of $6,775,000 for advances to Trans-Canada Pipe Lines Limited. The sum of $6,775,000 was advanced to Trans-Canada Pipe Lines Limited on Monday, June 18, and the crown company received in exchange a 5 per cent mortgage bond in the same amount.

COMMONWEALTH CONFERENCE

REQUEST FOR STATEMENT ON AGENDA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I preface the question I am about to ask by extending to the Prime Minister every good wish on the occasion of his trip to the commonwealth prime ministers' conference in London. That comes from everyone in the house. My question is this. First, would the Prime Minister be prepared to outline in general some of the views that he intends to express on the agenda to which reference is made in today's papers? Second, what stand does he intend to take with reference to the question of extending the British preference, which apparently is one of the basic considerations to come before the conference, as a means whereby trade within the commonwealth and also among the free nations will be expanded and extended in order to meet the U.S.S.R. world trade offensive?

Right Hon. L. S. St. Laurent (Prime Minister): I wish to thank the hon. member and all hon. members of the house for their good wishes, and I hope that the Secretary of State for External Affairs and I will be able to do our share in producing fruitful results from the conference in London. I do not think it would be proper for me to state what views we will support. They will be subject to the discussions that will take place in respect to each matter that comes before the conference.

With respect to the extension of the British preference, if that is discussed in the plenary meeting my colleague and I will be very interested to hear the views expressed by other members of the commonwealth in that regard. The hon. gentleman may be assured that we are still firmly convinced that dollars earned in the Canadian market through the sale in the Canadian market of exports from commonwealth countries do increase the volume of Canadian commodities that it is possible for us to sell in those markets, and that we are very anxious, as I am sure all hon. members are, to have as much world trade promoted through the efforts of the commonwealth as it is possible to achieve.

The situation is a complex one and one that will, if discussed there, have to be considered in all its aspects. I can assure the house that we will do everything possible that would tend to increase the volume of exchanges between commonwealth countries.

Mr. Diefenbaker: Various members of the British press have reported that the Canadian government, and in particular the Prime Minister, would be opposed to any extension of the British preference. Would the Prime Minister say whether or not that is correct?

Mr. St. Laurent (Quebec East): That is not correct as a general statement. The matter will have to be considered in all its aspects and of course in the light of its possible repercussions upon the general tariff and trade arrangements which are still in force and which have proved to be of quite substantial benefit to Canadian trade.

AGRICULTURE

REQUESTS FROM FARM ORGANIZATIONS TO APPEAR BEFORE COMMITTEE

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the chairman of the agriculture committee. Has the hon. gentleman received any requests from any of the farm organizations to come before the standing committee on agriculture and colonization?

Mr. Rene N. Jutras (Provencher): I believe, Mr. Speaker, that I have received two requests.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

INTERIM SUPPLY

Mr. Harris moved:

That a sum not exceeding $264,409,639.92 being one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1957, laid before the House of Commons at the present session of parliament; and a sum not exceeding $12,168,792.75, being one-twelfth of the total of the amounts of items set forth in the supplementary estimates for the fiscal year ending March 31, 1957, be granted to Her Majesty on account of the fiscal year ending March 31, 1957.

He said: Mr. Chairman, as the resolution indicates, the proposed bill to be founded on the resolution will provide for one-twelfth

of all the items to be voted in the main estimates for the fiscal year 1956-57 and one-twelfth of all the items in the supplementary estimates for the same fiscal year. This bill is to provide for all necessary ordinary requirements to the end of July. No additional proportions are being provided for at this time. In no instance is the total amount of any item being requested.

The passing of this bill—if it is passed—will not prejudice the rights and privileges of members to criticize and discuss any item in the estimates which will come up for consideration from time to time through the balance of the session, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Drew: Mr. Chairman, this motion to provide interim supply for the month of July follows very shortly after a similar motion to cover interim supply for the month of June. I think I should explain the position that we take with regard to interim supply. It is difficult to realize that it was only at the beginning of last week that we were dealing with this subject for the whole of the present month. Interim supply would have a different meaning if we were not sitting continuously to deal with estimates.

I want to make one thing clear. When two weeks ago today I asked the Prime Minister whether it was the intention of the government to adjourn for the summer months or to proceed with a continuous session, I was directing that question to the possibility that the government was asking for only a month's interim supply and might then adjourn, as had been indicated generally in the press, without having provided for the period during which the house would not be sitting. I also had in mind that, if this was done, the only course the government could follow in paying the civil servants, the members of the armed forces and, in fact, all the many people dependent upon payments month by month from the government, would be to resort to governor general's warrants.

From the nature of my questions both on Friday two weeks ago and a week ago Monday I think it must be clear that if there had not been a continuous examination of the estimates and if there had been any attempt to adjourn with only a month's supply voted, we would not have consented to the voting of supply.

However, I want to remind the members of the house that interim supply does not in any way prejudice the consideration of the estimates, as has already been undertaken by the Minister of Finance. We are simply asked to provide for one-twelfth of the total amount that is estimated as the requirement of the government. The granting of this amount permits payment of the necessary monthly payments of every kind, without prejudice to the details of any item in the estimates. We are continuing to discuss those estimates and, therefore, we follow the practice that has been followed on other occasions, without exception, in the past. There has, in fact, been no case in Canadian history where there was a protracted debate in regard to the ordinary voting of one month's supply. There was a case in 1921 when there was objection to the voting of two month's supply. In fact, on that occasion there was vigorous opposition to that procedure.

But it has been the invariable practice to permit the payments that are required to carry out the ordinary business of the people of Canada. It is not the business of the government. It is not the prerogative of the government. It is the rights of the people of Canada who are dealing with the Canadian government, whatever that government may be, to have the payments they expect on time. Under those circumstances, and in view of the fact that we are continuing to deal with the estimates, it is not our purpose to seek to prevent the ordinary payments being made. May I leave no doubt that had we thought it was possible to force an election by delay on the earlier occasion, we would certainly have followed that course. The government, however, had made it quite clear it had no intention at that time of acceding to our proposal. We took the position, and take the position again, that while we have no confidence in the attitude of this government toward parliament, while we believe this government has no moral right to govern in view of its conduct, nevertheless we do not believe the civil servants, members of the armed forces and people doing business with the government should become the victims of any procedure that might be adopted as the result of the actions of the government itself. That is what the result would be.

While it is not our intention to delay the voting of interim supply, nevertheless it is my intention to avail myself of the appropriate opportunity to discuss certain subjects which are related to the broad details of the motion before us. As will be realized by every hon. member in this house, any item included in the estimates can be discussed. I do intend to discuss one or two subjects which could very properly be embraced in the remarks that are made in relation to a motion of this nature. One thing about which I want to speak is the speech made by the Minister of Finance a week ago tonight over the trans-Canada network of the C.B.C. It

is a mass of inaccuracies, but those inaccuracies can be dealt with on other occasions.

I am going to deal with one statement that was made by the Minister of Finance and I do so because if there is one minister in this house who should not have made that statement it is the Minister of Finance. I am going to quote from the printed copy of the speech which was issued by the National Liberal Federation of Canada. These are the words contained in that speech which I assume were the words used over the radio:

> I am not going to say very much about the action taken by the Leader of the Opposition, Mr. George Drew, in attacking the Deputy Speaker and in moving in parliament that the house no longer had confidence in its Speaker. No one who understands our British parliamentary system would question the right of the opposition or the duty of the opposition, to oppose the government and to introduce motions to embarrass the government and to express lack of confidence in the government. That is the right of an opposition. Indeed, the opposition has a duty to try to defeat the government. But it is one thing to attack the government and a very different thing to attack the presiding officers who represent the authority of parliament itself.
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> The members of the opposition who supported Mr. Drew in attacking the Speaker admitted that before the pipe line debate began, he had been a good Speaker; some of them said the best Speaker the Canadian parliament had ever had. Yet, they felt they were justified in attacking a respected officer of parliament and seeking to destroy his reputation.
>
> I cannot believe the people of Canada will easily forget or easily forgive conduct of that kind, conduct which, if persisted in, would destroy the institution of parliament itself.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Chairman, the applause which has come from hon. members opposite including the man who has been directing the affairs of the government, the Minister of Trade and Commerce, indicates very clearly why this government has no moral right to govern. The very fact they applaud a statement of this kind indicates how little consciousness there is of what this government has done to destroy the institution of parliament in Canada. The man who accepted the primary responsibility of a course of that kind was the Minister of Trade and Commerce, who has applauded that statement. It was he who, in spite of the statement of the minister that the opposition had the right to oppose the government, denied that normal right by moving closure before there had been a word said in this house by any member of the opposition; and it was the Minister of Finance who was mainly responsible for the circumstances which led to the motions relating to the Deputy Speaker and the Speaker which were presented to this house.

It is the Prime Minister who, as head of the government, must accept the full moral responsibility for the abomination which occurred here during the course of the debate which closed just two weeks ago.

Mr. Chairman, the Minister of Finance has made a statement that for unctuous pretence has not been exceeded at any time in the parliament of Canada. Here is the man who is mainly responsible for making the Speaker and the Deputy Speaker victims of the government's conduct. Here is the man who was sending messages to the Speaker as reported by members of the press who saw those messages being passed. I would point out it was not an attack made on the Speaker by members of the opposition which brought this subject before parliament; it was the way in which the Speaker, the Deputy Speaker and those responsible for the conduct of business in this house were forced into a position of subservience to the will of the government in pushing through a measure which the government had determined to have passed by this house no matter what took place and no matter what rule was broken.

No wonder the Minister of Trade and Commerce in a television interview said, "Yes, we violated the rules—

Mr. Howe (Port Arthur): Mr. Chairman, I said no such thing; my hon. friend is now stating a falsehood.

Mr. Drew: I am not stating a falsehood. I heard the words over the television; but what the Minister of Trade and Commerce should also know is that because there was an interruption in power the C.B.C. issued a text of what was said and the text contains those words.

Mr. Howe (Port Arthur): Mr. Chairman, I do not believe the text contains those words. If you will send me the text I will believe what you say.

Mr. Rowe: Surely you have seen it.

Mr. Drew: Mr. Chairman, the Minister of Trade and Commerce knows perfectly well he used those words.

Mr. Howe (Port Arthur): I did not use those words.

Mr. Drew: And the minister knows perfectly well that the government did violate the rules. He also knows perfectly well the government was a party to the violation of the rules. He knows very well the position we have taken with regard to the Speaker—

Mr. Pickersgill: This speech is a violation of the rules.

Mr. Drew: Mr. Chairman, I cannot in this case ignore the interruption by the Minister of Citizenship and Immigration in which he said that this speech is a violation of the rules. In the mind of the Minister of Citizenship and Immigration any statement by the opposition is a violation of the rights of the government. I noticed one statement in the speech of the Minister of Finance that there were two members of the opposition who had spoken 30 times. That total was arrived at by adding up the number of times comments had been made by certain members of the opposition. If the Minister of Finance will examine *Hansard* and look at the number of times the name of the Minister of Citizenship and Immigration appears he will doubtless find by that test that the Minister of Citizenship and Immigration spoke more than 100 times during the debate because he was constantly interrupting. I will say this, however; he made those speeches while sitting in his seat and not by taking part in the debate either on the rules or on the subject matter before the house.

Mr. Rowe: One hundred speeches and nothing said.

Mr. Hellyer: That is a pretty faded rose you are wearing.

Mr. Drew: I would be very happy to have the hon. member who just interrupted from a reclining position rise and make the statement in the way that statements are supposed to be made before this house. I would be very happy to give him the opportunity to do so. Does the hon. member care to do so or does he wish to remain in a reclining position?

Mr. Hellyer: I will accept the courtesy and rise and say it is a very faded rose the Leader of the Opposition is wearing this morning.

Mr. Rowe: We still cannot hear you.

Mr. Drew: Mr. Chairman, I am glad that interruption was put on the record because it indicates the standard of the interruptions which have been made by members supporting this government during the course of the discussion of this whole subject. If the rose I happen to be wearing this morning is faded I would suggest that the hon. member make an appropriate appeal to the correct official of the government because it was cut in my own garden this morning and if it has wilted it is probably only under the impact of remarks such as the hon. member has just made.

Mr. Rowe: He has not even bloomed yet.

Mr. Drew: Mr. Chairman, I would suggest that the remark that has just been made is indicative of the type of interruption that has been occurring in this house not only now but during the course of the debate to which I refer.

Now, Mr. Chairman, in view of the statement made by the Minister of Finance, who apparently disagrees with the Minister of Citizenship and Immigration, because he says the opposition has the right to speak—

Mr. Pickersgill: I never said the contrary either.

Mr. Drew: I just want to recall exactly what did take place because I wish to leave no uncertainty as to the circumstances under which the motion was first presented which directed the attention of the house to the conduct of the Deputy Speaker and later the motion dealing with the conduct of the Speaker. May I recall those events. On Thursday night, May 31, the Speaker permitted the presentation of a motion arising on a question of privilege which was in accordance with the rules. The Speaker himself took the initiative in guiding the framing of that motion. The Speaker himself stated that the question was an important question of privilege and he placed the matter before the house for discussion. At that time I rose to speak in the debate on that motion which was properly before the house.

I had spoken for a short time when the house adjourned at ten o'clock. On Friday morning, June 1, the Speaker had not risen when I rose to continue the debate. I was on my feet and the house was seized with the motion, the motion which had been accepted by the Speaker and in fact framed by the Speaker himself because of the advice he had given as to the form it should take. It was under debate and the right to debate had been fully accepted in the house without challenge.

Nevertheless the Speaker then rose and refused to permit me to continue the debate. He refused further to hear me either on the point of order or on the question of privilege. The rules make it clear that he had no right to deny that opportunity to me. He certainly had no right to deny that opportunity when I had already taken the floor and when I was continuing a debate which under his guidance had been before the house the previous evening. He gave no authority of any kind for his position. He denied the motion and to other members the right to discuss the rules. He placed on the records of this house a dangerous precedent which can be quoted in future as a precedent for the taking of an improper course which could destroy the regular procedure in any debate.

Mr. Tucker: Mr. Chairman, on a point of order, I suggest that the Leader of the Opposition is entirely and completely out of order in attempting to review the actions of Mr. Speaker before you and this committee. I cannot conceive of anything more out of order than to do what he is trying to do. If he is to be permitted to make these statements which are not well-founded, as to what happened and which constitute improper criticism of Mr. Speaker before this committee, then of course he should be answered, but anyone answering him would be also out of order. I submit that he should not be permitted to make these improper statements, which he is making and which are not well-founded either on fact or on the rules, before a committee of this house. He should not be permitted to criticize the conduct of Mr. Speaker and I submit that he is absolutely out of order and should be asked to desist.

Mr. Drew: Mr. Chairman, every subject which can be dealt with by this parliament can now be properly dealt with on the motion for interim supply. The motion covers one-twelfth of the estimates which embrace every item, including the administration of the Speaker's office. Therefore it is not only appropriate but it is very proper that the discussion should take place at this time in regard to the very inaccurate interpretation given by the Minister of Finance as to what occurred in this house. The remarks which I shall subsequently make will relate themselves very clearly to the position of Speaker and to the estimates of this house.

The Chairman: Order. The hon. member for Rosthern has raised a point of order and perhaps I should deal with it following the remarks of the hon. Leader of the Opposition. I have looked at the motion which was moved by the Leader of the Opposition several weeks ago with regard to Mr. Speaker, and I find also that in the estimates there are items dealing with the allowances to Mr. Speaker, to myself and to other officials. Under those circumstances I am unable to find that a discussion of those offices at this time is out of order. However, I do say that it must be a discussion which would be relevant under the items of legislation at a later time; that is the only type of discussion which could take place on a motion for interim supply at this time.

Mr. Tucker: Mr. Chairman, I do not wish to argue your ruling but I do point out to you that this very point that has been raised by the Leader of the Opposition was raised as a reason for censuring Mr. Speaker and was actually decided on by this house, the only place where it could be decided upon. When the house has actually decided upon a question, the question being decided upon being one of the reasons why Mr. Speaker should be censured, when the house decided the question that he should not be censured, I suggest that to permit this to be rehashed before this committee and to ask it to pass judgment on something which has already been decided is out of order entirely.

The Chairman: Perhaps I should read the exact terms of the motion, which are as follows:

> In view of the unprecedented action of Mr. Speaker in (a) improperly reversing his own decision without notice and without giving any opportunity for discussion; (b) repeatedly refusing to allow members to address the house on occasions when the rules provide that they have the right to be heard; (c) subordinating the rights of the house to the will of the government, this house resolves that it no longer has any confidence in its presiding officer.

I quite agree with the hon. member for Rosthern that matters covered by that motion, which was negatived, cannot be discussed at this time, but I do not see how a discussion of the competence of the Speaker, of myself and others, since these items appear in the estimates and as long as we do not deal with questions which have been decided upon by the house, could be ruled out of order.

Mr. Drew: Mr. Chairman, it is not my intention to seek a review of a motion which in one case has been ruled to be not debatable, and of a motion which in another case has been voted down. I am dealing with a subject which will come before the house under the estimates and, as Your Honour has indicated, therefore something which it is appropriate to discuss at this time. In doing so I am taking particular issue with certain statements made by the Minister of Finance which have a bearing on this subject. It is my intention simply to state the facts of what occurred because of the relationship with appropriations which will subsequently be dealt with as part of the general estimates of which interim supply will constitute one-twelfth.

Therefore, to continue what I was saying at the time the point of order was raised, I would point out that in making the decision he did on that occasion, without giving any authority whatever for his position, the Speaker has created difficulties in the future for any Speaker who may occupy the chair, because of the precedent which has been established in that way by the actions to which reference has been made. I submit that the Speaker disregarded the following rules or authorities.

Standing order 50 provides that, if it is out of order, the Speaker must so rule before he puts it forward for discussion, and also

that he must give his authority when he rules that a motion is out of order.

Standing order 7 provides that business under consideration at adjournment the night before will be taken up on the next sitting day, "at the same stage where its progress was interrupted."

Standing order 34 (1) provides that a member who has the floor, as I had on the Thursday evening and again on Friday morning two weeks ago, may be interrupted on a point of order, but that after that point has been stated the member may speak to it. I was denied the opportunity to speak to it, and so was every other member of the house.

Standing order No. 17 provides that a point of privilege may be raised at any time. In this case the Speaker refused to hear me on a point of privilege on Friday morning, after he had followed the course he did and while the subject was still under consideration.

Then I would refer to citation 216 of Beauchesne's third edition, which states that the member who moved adjournment of a debate is by courtesy entitled to speak first if he rises in his place when the order for it is called. I had risen before anything had been said and I was therefore entitled to speak under the terms of that citation. Most certainly, if I was not to be allowed to speak, then the explanation should have been given for it.

On Friday morning, June 1, Mr. Speaker did something else without precedent in the annals of this house or of Westminster. He put forward what he described as a proposition to the house, namely that since he had himself made a serious error the previous evening, the house should revert to the position in which it was at the time when he said he had made the error, namely about 5.15 p.m. on Thursday evening. This was something which had no relationship to any course ever followed before. The rules of debate—rules of long antiquity which we have inherited from Westminster—clearly provide that nothing can be submitted to the house for its decision except by way of a motion. That is without qualification.

Recognizing the impropriety of his course of action, Mr. Speaker carefully tried to avoid calling it a motion, because of course the Speaker cannot under the rules initiate a motion before the house. He described his strange procedure as a proposition or course of action which he was submitting to the house for its determination. That in itself was indicative of some unusual circumstances which this house cannot now ignore, any more than it had a right to ignore them then. He did, in fact, as the record will show, fall into the error on one occasion of calling it a motion when he put the question—an error which he later attempted to correct. However, the brief statement of the position is that nothing can be submitted to the house for its decision by vote unless it is in the form of a motion. Whatever it may be called, therefore, Mr. Speaker actually submitted a motion to the house. In this conduct he was guilty of a breach of the following standing orders or citations:

Standing order 41, which is the general rule providing for 48 hours' notice of a motion before it can be presented to the house for discussion and decision.

Standing order 42, which requires that, generally speaking, if notice is to be waived, unanimous consent for such a course must be obtained.

Standing order 43, which provides that all motions shall be in writing and be seconded before being debated or put from the Chair. This motion was not written or seconded.

Standing order 32 (1) (m), which provides that a motion of this sort, which clearly covers the management of the business of the house, the arrangements of the proceedings of the house, etc., is debatable. The Speaker refused to allow debate.

Citation 135, Beauchesne's third edition, which emphasizes the necessity for strict adherence to the order paper to prevent surprise. A privilege motion was on the order paper and was suddenly removed; the Speaker's proposition was not on the order paper but was suddenly introduced.

Citation 136, Beauchesne's third edition, which provides that all motions referring to the business of the house should be introduced by the leader of the house.

There were specific instances, which have not in any way been wiped from the record by any motion which was dealt with by this house. They have a very direct bearing upon the occupant of the office and the estimates that are provided by that office when the time comes to consider them.

Mr. Tucker: On a point of order again, Mr. Chairman, I think that every member of this house must agree that the action of the Speaker can only be challenged on a specific motion after two days' notice. The Leader of the Opposition is challenging the actions of Mr. Speaker, before a committee of this house, and without any notice. I am not going to refer to the ruling—he can do it—although it has already been decided by the house, but I cite the other ruling. He now is challenging the actions of Mr. Speaker in the house, when the rules lay down both at Westminster and here that

the actions of Mr. Speaker can only be challenged by a specific motion of which notice has been given.

I submit that the Leader of the Opposition has no right to violate the rules on the alleged ground that this vote will affect the salary of Mr. Speaker. In a deliberative assembly such as this and Westminster, when an attempt has been made to call the Speaker into question at a time when a question is involved of voting part of his money, it has been laid down over and over again that he cannot be challenged, nor attacks and derogatory statements made about him, unless a motion is made to that effect, of which 48 hours' notice is given. I submit citation 110 of Beauchesne's second edition:

> If a member wishes to challenge the action or conduct of the Speaker on any matter other than an appeal from his decision, he must proceed by giving two days' notice of a motion on the subject and by bringing the matter up as a separate question, except, of course, if it be a question of privilege when it may be taken up as such.

This is one of the well established rules for protecting the position of the Speaker. The hon. member knows just as well as I do that he is out of order in talking before this committee as he is today.

Mr. Rowe: The chairman says you are out of order.

The Chairman: The hon. member for Rosthern raises a question of undoubted difficulty. We have on the one hand a motion which has been negatived by the house. I draw the attention of hon. members to the latter part of standing order 35 which reads:

> No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

It seems to me that the Leader of the Opposition in his remarks is prevented by the words of the standing order from reflecting on a motion which has been negatived several weeks ago. At the same time, I do not think I can prevent the Leader of the Opposition from discussing the competence of the Speaker or of myself or of any other official who is mentioned in the items which hon. members will find under legislation. I admit quite frankly that it is exceedingly difficult to draw the line but, as long as the Leader of the Opposition does not reflect on the vote which has previously taken place on his own motion, then I believe he is in order. I would take it that some of the references in the latter part of the remarks of the Leader of the Opposition with regard to the specific instance which was the subject of his previous motion might be deemed so to reflect, but as long as the Leader of the Opposition confines himself to the competence of officials who are mentioned in these estimates I believe he is in order. Otherwise, if he reflects on a vote, he is, of course, not in order. My difficulty, as hon. members will appreciate, is to draw a very difficult line.

Mr. McIvor: On the point of order, I think the Leader of the Opposition is nearly through.

Mr. Drew: Mr. Chairman, first of all I would point out that I have already made it clear that the remarks I am making are directed to the offices which are provided for in the estimates themselves. I submit that it is entirely proper and, in fact, the duty of hon. members to discuss subjects of this kind when there can be any possibility that there has been a misinterpretation of what took place in this house and at a time when the subject is bound to come up for further consideration. What I am saying is not and cannot be directed to a motion which has already been dealt with by a vote in one case or to a motion which, in another case, was held not to be immediately debatable. My remarks relate to an office for which provision is made in the estimates, and it is in that light that I am placing these facts before the committee.

I now proceed to deal with the questions arising in connection with the chairman and deputy chairman because the statement to which I refer, which was made by the Minister of Finance, related to the officers of the house whose conduct had been under consideration. I would point out that both the chairman and the deputy chairman repeatedly refused to hear members on points of order or questions of privilege. That is a matter of record in *Hansard*. It is not going to be erased from *Hansard* by any suggestion that some motion has been dealt with or another motion not discussed. In fact, so very clear did this become that on one occasion the deputy chairman made it obvious that he was denying the right simply in order to get a vote taken on a motion which was before the committee and before any question as to its impropriety could be raised.

On that occasion, as I think will be recalled by all hon. members who were here at the time, he admitted that the member for Kamloops was correct in stating that the deputy chairman deliberately ignored members who were trying to get the floor and that he ignored them because he intended to put the question without hearing any argument. I refer to *Hansard*, page 4560, column 2, to indicate the reference I have made. In this course both the chairman and the deputy chairman were in flagrant violation of the

following standing orders or citations: Standing order 17, which provides that whenever any matter of privilege arises it shall be taken into consideration immediately; standing order 34 (1), which provides in effect that a member may raise a point of order at any time; citation 110, Beauchesne, third edition, which points out that points of order are questions raised with the view of calling attention to any departure from the standing orders and the customary modes of proceeding in a debate or in the conduct of legislative business, and may be raised at any time by any member. I would repeat, Mr. Chairman, that the citation is emphatic that these questions may be raised at any time by any member. Nevertheless, members were denied on this occasion.

The deputy chairman permitted consideration of clauses of the bill in committee out of their proper order. He did this by giving a strange interpretation, I might say a fantastic interpretation, to the word "consideration" whereby he found himself able to rule that a clause had been considered by the committee although the minister had done nothing more than give a summary of its content and move its postponement. The whole procedure occupied about 15 seconds. As a result of this misinterpretation there was a breach later of the following standing orders: Standing order 78 (1), which provides that every clause must be considered by the committee in its proper order; standing order 33, the closure rule, which provides that closure will apply only to those matters which have already been considered and that the further consideration of them will not be further postponed. The chairman was able to say, by the unusual procedure he followed, that clauses had been considered which had not actually even been before the committee.

I am not going to make the other references I could make, Mr. Chairman, to the application of other rules, citations and standing orders which are affected by what was done on this occasion. I have simply stated what took place as a question of fact. *Hansard* will support the statements I have made. I have indicated the applicable standing orders and citations to show where, in our opinion, there was a departure from the procedure which should have been followed. We believe that dangerous precedents have been established as the result of that. We believe that the effectiveness of the positions of the Speaker, the chairman and the deputy chairman have been seriously affected by what has taken place. Therefore at the appropriate time it will be proper to consider what did occur.

What should be remembered, however, at this time, because we now have the whole activity of the government before us on a motion to provide interim supply, is that it was the government which succeeded in having these unfortunate incidents carried to their very definite conclusion. The minister has denied certain statements that appeared in the press about his intervention. The minister has not denied that there was a discussion of what took place in this house with the Speaker. The minister cannot deny that members of the government did discuss with the Speaker what would take place in the house. The minister cannot deny that what happened had the result of changing the whole course of the debate in the house. The minister cannot deny that these were not merely questions of mistakes or otherwise. The minister cannot deny that the effect of what took place was to make it possible for the government to meet a deadline which it had set.

I am raising these points now so that there may be no uncertainty that in dealing with the estimates of the government generally and in dealing with the estimates involving the offices of Speaker, chairman and deputy chairman of committees, we have not for one moment withdrawn in any way from the position we took. We made it perfectly clear when we presented first a motion relating to the chairman and then a motion relating to the Speaker that it was the action of the government which we believed had made these men victims of their course of conduct. We believe that as the result of what happened the government should in honour dissolve at the earliest possible date and make it possible for the house to meet again with a new parliament, whatever the government may be, that will be in harmony and in keeping with the wishes of the people themselves.

If this government were re-elected it would at least come forward then with a mandate to take a new course and to take a fresh stand. If the people of the country elected a new government in such a test, and most certainly that is a possibility which the government has every right to recognize, then this whole situation would be changed by the application of the rules in keeping with our ancient traditions.

We believe that when we spoke in this house during the debate we were speaking for the majority of the people of Canada, no matter what number of members there may be opposite us in the house at this time. We believe that we were speaking in a manner that was consistent with the rights of parliament and with the traditions of our free parliamentary system. We believe that it would be proper, honourable and just that, before he leaves for the conference in

London, the Prime Minister state that it is his intention to dissolve the house at an appropriate date so that there may be an early election in order to give the people of Canada a right to express their opinion not merely upon the strange procedure by which the government advanced money to Trans-Canada Pipe Lines Limited but—what is more important—in order that the people of Canada may be in a position to express their opinion upon the manner in which this government violated the rules and brought the position of Speaker, Deputy Speaker and chairman of committees and deputy chairman of committees into disrepute by the action they were forced to follow as a result of the conduct of the government. That is what I believe would be in keeping with the great traditions of parliament which have been challenged in this way.

When the Minister of Finance talks about the attack made on the Speaker and the chairman of committees, he should remember that he was the one who introduced the motion for the ejection of the hon. member for Eglinton which precipitated one of the scenes in this house which brought to the attention of the Canadian public what had taken place. Oh, when the hon. members opposite make their contemptible insinuations that this was a planned course of action—

An hon. Member: It was.

Mr. Drew: We hear from the Minister of Citizenship and Immigration, still sitting in his seat. We hear from him that it was. Does the minister suggest that we knew that the Minister of Finance was going to introduce this motion? What utter nonsense! He was not taking us into his confidence. We did not know that he was going to make himself a party to action of this kind. What happened was the result of the action of the Minister of Finance himself; and when he makes statements such as those he made in his radio address, it would be well if he remembered that.

The question of interim supply, Mr. Chairman, raises the right to discuss many things. We wish that it were possible on this occasion, by dealing with specific items, to raise an issue that could precipitate the kind of vote that would express the opinion of this house with regard to certain detailed matters. But that is not possible. We cannot deal with individual items on this motion for interim supply. As I have said, the motion for interim supply is one which, by tradition, is accepted in this house; and it is accepted in Westminster in the same way. I recognize that there is control over supply by the house. I recognize that in the house the majority will, of course, decide. But I also recognize that it has been customary, over the years, to grant supply for the purpose of the business of the country. I should like to read a quotation which is perhaps not without some application to this matter. It is to be found in a book entitled "Parliamentary Grants" by Durell. At page 4 he says this:

> The drastic step of refusing supplies is, however, one which has never been applied. A sword of Damocles, of which the blade is eaten away with rust, it remains suspended in the armoury of the constitution—an object of historical and picturesque interest alone.

Nevertheless, Mr. Chairman, while it may be an object of historical and picturesque interest alone, it provides the opportunity to discuss certain subjects which need to be raised. I have made these remarks at this time because I wish to state once again that what occurred in this house has not been changed by any vote that has been taken. What has occurred in this house has damaged the effectiveness of this parliament as long as the present parliament remains. What has happened in this house under the guidance of this government has damaged the rules and placed on record precedents which at some future time could be extremely dangerous indeed. This government may preen itself that its conduct will be safe for the people of Canada. We do not believe that it is correct in making that assumption. But even if that is the opinion of this government, there could be men of such strange and radical views that they would recognize the danger there could be if these men could toss out the rule books and, by a simple majority, force through this house anything they wanted done.

That was what this government did with the unfortunate co-operation of the Speaker, the chairman of committees and the deputy chairman. That is the reason that these facts need to be repeated. That is the reason that this government no longer has any moral right to govern. That is the reason the Prime Minister would be following the honourable course if he assured us that there would be an election which would cleanse this parliament and bring back a parliament in keeping with the wishes of the people of Canada in relation to this great issue which has developed. It is not a matter of the right of members of parliament as individuals; it is a matter of the rights of the people of Canada. We are only their servants; we are only their representatives. Our right to speak is the right of the people of Canada to be heard. That right has been challenged; and imbedded now in our rules—until there is another parliament—are dangerous precedents which

could be gravely abused at any time by this or any succeeding government.

Before I sit down I want to speak on one other subject which I believe is of immediate importance as a result of what has taken place. On various occasions in the past we have presented resolutions calling for the setting up of an appropriate committee or commission to consider reform of the Senate. Mr. Chairman, I believe that this is a proper time for the Prime Minister to consider the way in which reform of the Canadian Senate can be effectively brought about. Over many long years members of the party which supports him have expressed their belief that there should be reform. We have expressed our belief that there should be reform. There should therefore be agreement on this subject. We agree that, as long as this government remains in office, it must assume the initiative in dealing with this subject. We believe it is one with regard to which the provincial governments must be consulted. It may well be that a royal commission, which embraces representatives of this government and of the provincial governments as well as members of the two houses, should consider this whole subject. Most certainly if ever there was evidence that the other house needs reform, it is now as a result of the way in which the extremely important bill, which was so extensively discussed publicly and in this house, was dealt with in the Senate. That the measure was put through by a new form of overall closure which provided its acceptance in such a speedy and expeditious manner, in keeping with the desires of the government of this country, emphasizes the need for sweeping reforms which will give to the other house an effective part in our bicameral system. The Prime Minister has it in his power to initiate proceedings which could continue, no matter what happens to this government or to any other government. With the evidence before us of what has occurred, I submit that it would be appropriate that these steps be taken now. I raise this question because, if these steps are to be taken, the Prime Minister could be considering them before his departure from, or most certainly before his return to, this house.

Now, Mr. Chairman, I shall give way to other speakers who may wish to discuss other subjects under interim supply. I repeat that in supporting this motion for interim supply we are simply following precedents and that this does not in any way limit our right to question any item; that it in no way prejudices our right to challenge any department; that it in no way prejudices our right to question the conduct of any minister or official under this government. We accept, on the one hand, the conditions stated by the minister in presenting this motion for a supply of one-twelfth of the total amount which has been asked for in the estimates and we shall permit it to pass after such discussion as may take place on any of the items that are before us.

Mr. Knowles: Mr. Chairman, the resolution before us at the present time is what might be called a routine motion. I would say that there is coming to the government a certain measure of credit in connection with the introduction of this motion, but there is also a considerable measure of discredit in what it is doing at the present time. On the credit side I would point out that the delay in which the government indulged with respect to the last interim supply motion is not being repeated on this occasion. Hon. members are aware that it was not until June 11 that the government brought in a motion for interim supply to provide for money for the month of June. In other words, civil service salaries and wages and payments to members of the armed forces for June 15 were under a certain question mark as late as June 11. On this occasion, however, we are dealing with the question of supply for the month of July. So far as individuals are concerned the first salary cheques that are involved are the cheques of July 15. This being June 22, it is obvious that no question mark arises so far as those salary and wage payments are concerned.

As hon. members will recall, when we were debating interim supply on June 11 I gave a long list of dates showing that across the years it had been the practice to request interim supply some time in the month previous to the month for which interim supply was needed. I am glad to see the government getting back on the rails so far as that aspect of the matter is concerned, in that it is now only June 22 when supply is being sought for the month of July.

However, Mr. Chairman, the very fact that this routine motion, this routine request, is being made in such a routine way, as if everything were quite normal, as if nothing were wrong, is what in my view is to the discredit of the government. What the government is asking for is not just the money that it needs to pay bills and salaries in the month of July, what the government is asking parliament is for permission to carry on in the routine way just as if there were no question as to its moral authority to continue to govern. In our view, as I stated on behalf of this group on June 11, it is not possible for a free parliament to have done to it some of the things that were done in recent weeks and to carry on in the normal way. It still seems to us that the one honourable way to

deal with the situation that has developed in this parliament is for this parliament to be dissolved and an election to be held.

It is not my purpose to rehash the incidents that took place during May and the early part of June. I am sure it will not be necessary for the hon. member for Rosthern or the Minister of Citizenship and Immigration to raise any points of order on what I have to say because I shall talk, not about the past but about the present. It is recognized by yourself, Mr. Chairman, and by all the members of the committee that included in the items one-twelfth of which we are now being asked to vote, are items for the work of parliament. In other words, I have in mind not just the items to which the Leader of the Opposition referred but all the items under legislation which provide for parliament to continue in session. It is my view that the atmosphere in this parliament at this time—true, it is because of things that happened in the past but I am talking about the present—makes it the kind of parliament, the kind of House of Commons in particular, which should be dissolved and replaced by another one.

I feel that we owe this as a duty to the Canadian people. After all we are here not for our own sakes; we are here to be the parliament of the people of Canada. There are certain duties which devolve upon us, and I think one of the duties is to have the kind of atmosphere, the kind of relationships back and forth across this house, in which the business of the country can be properly conducted and our work properly done. I think I can say, without at the moment assessing the blame or indulging in any recriminations, that anyone who looks objectively at the atmosphere in this House of Commons at this time recognizes that it is not the kind of House of Commons to which the Canadian people are entitled. I put it to the Prime Minister and to the government in those terms. I am not going to do as I have done on occasion and bring forth authorities, citations and rules. I put it to the government in plain, human terms. We all know that the atmosphere that now obtains in this House of Commons is not a satisfactory basis for dealing with the work of the country to which it is our duty to attend.

It does seem to me that even the fact that speeches such as the one just made by the Leader of the Opposition can be made, not to mention the points of order that have been raised on the other side, all underline the fact that the moral authority of this parliament has been taken away from it. It is my view it is the government that robbed this parliament of its moral authority.

[Mr. Knowles.]

Apart from that, the fact of the matter is that moral authority no longer obtains in this house. It is quite clear that the best thing the government can do for the good of parliament and out of loyalty to the interests of the Canadian people is to make arrangements just as soon as possible for this parliament to end and for an election to be held. For that reason, Mr. Chairman, I say that the routine way in which this routine motion is being introduced, without any comment being made by the government as to what its plans are for this session or for the holding of an election, is to its discredit.

I appreciate the fact that no minister rose at the end of the speech of the Leader of the Opposition. In other words, others of us were also given an opportunity to speak. But I hope that the government will not sit this debate out. I hope that someone speaking on behalf of the government will deal with the issues that have been raised, will deal particularly with the question as to the moral authority of this parliament to continue. I say again it is an issue that is greater than the government, greater than any party or greater than the interest of individuals here. It is an issue that is of concern to the Canadian people who have the right to have sitting a parliament with a moral authority such as this parliament does not now possess.

I said, Mr. Chairman, that I would not rehash the things that happened during the pipe line debate but that I would deal with the present situation. I hope I will not be accused of breaking that promise because of what I am going to say now. I want to make one reference to something the Minister of Finance said in his radio speech last Friday night and I make it because it seems to me it underlines my contention that the present situation is an unhappy one. I shall not go into the details of the speech he made. I am glad we live in the kind of country where he had the freedom last Friday night, as I had the same freedom a couple of weeks earlier, to express to the people of Canada by radio our views on what is happening here in parliament; but it did seem to me the minister made a very revealing statement when he told the Canadian people over a trans-Canada network of the Canadian Broadcasting Corporation that the purpose of the closure rule is to make it possible to bring to an end a protracted debate—and I emphasize this latter point—or to enable the government to meet a timetable.

Mr. Diefenbaker: That is the revised version.

Mr. Knowles: Mr. Chairman, I am talking about the present and I will not talk about the past or how the closure rule was used in the pipe-line debate. We have had a new rule given to us by the Minister of Finance who is the house leader. He has announced it to the entire country. We have had it announced that on any occasion when the government feels it must meet a timetable, or when it wants to meet a timetable, or when it has committed itself to some private corporation that it will meet a timetable, it has the right to resort to the use of the closure rule.

One of the strange things about rules—and I have discovered this in discussing rules with people outside of parliament who are showing more interest in them than they used to—is that all the rules of parliament are not contained in the standing orders. The rules of parliament consist in the standing orders and in the way in which those standing orders have been interpreted. That is the reason we get into these long debates. That is also the reason such big books as Beauchesne's third edition—and many others including May, Bourinot, Campion and all the rest—get printed. The fact is that the practices of parliament are determined not only by the simple clear-cut rules in our standing orders but by precedent and by interpretation. We now have a new interpretation and so far as the government is concerned it is just as much a part of our way of doing things here as if it were spelled out in the standing orders themselves.

I remind the Minister of Finance that actually there is nothing in standing order No. 33, the closure rule, which says what its purpose is. I accept the first part of his statement that the purpose of the closure rule is to enable the government to bring to an end a protracted debate. The reason I accept it is because, like the Minister of Finance, I have read just about everything there is to read concerning the closure rule. I have read in full the debate that took place in 1913 when the rule was written into our standing orders. I have read practically all the debates in which closure was applied in 1913, 1917, 1921, 1926 and 1932.

Mr. Chairman, nowhere in any of the vast amount of material that can be read on closure did any one ever suggest that the purpose of the closure rule was to enable the government to meet a timetable. Plenty of authorities, including Sir Robert Borden who introduced the closure rule, Mr. Arthur Meighen who appears to have had something to do with drafting it, and others who have used it across the years, admit, claim and affirm that its purpose is to enable the government to bring to an end a protracted debate. When those who gave birth to the rule and used it in previous sessions referred to it they gave as examples of protracted debate, two, three or five weeks on one clause of a bill. The occasions when it was used in the past, except for the most recent past, were occasions when debate had gone on for weeks or even months. In other words, Mr. Chairman, until 1956 there was no question about it; the only purpose of the closure rule was to enable the government to bring to an end a protracted debate and there was no question but that "protracted" meant weeks or months.

Now, however, we have the precedent established in the recent debate when the Minister of Trade and Commerce gave notice of closure at the end of the first speech at the first stage of the debate, plus all the precedents in the recent debate regarding closure, and in addition to that we have this interpretation given by the Minister of Finance: Any time the government is in a jam as to a timetable, any time the government has to meet a commitment it has made to someone else, it is justified in using the closure rule, because the Minister of Finance, the house leader, has personally told the country that is its purpose.

Now, Mr. Chairman, I say this parliament cannot continue under the direction of a government which thinks in those terms. I had dared to hope—yes, even I had dared to hope—that the government had learned some lessons because of the experiences we went through in the month of May and the early part of June of this year. If the government was not impressed by the arguments we were making from this side of the house I had hoped that it would have been impressed by the editorial comments in newspapers across the country, particularly editorial comments in newspapers like the Toronto *Star* and the Winnipeg *Free Press* which have been well known as supporters of the Liberal party across the years.

Lo and behold, Mr. Chairman, despite all these editorials, despite all the reasons we might have had to believe the government would have learned its lesson and realized that it cannot wound parliament and go on as if nothing had happened, when it is all over the Minister of Finance takes to the radio and announces to the people of Canada a new rule: From here on any time one man in the cabinet wants something that means meeting a timetable which is inconvenient for parliament, we have the right to use the closure rule.

Well, Mr. Chairman, it is perfectly true there is nothing in the rule that says the government cannot use it for that purpose. The rule does not state what its purpose is

either one way or the other but parliament is governed, as Beauchesne points out on one of his earlier pages, not only by its standing orders but by its traditions, practices and precedents, and by the interpretations placed on its rules and standing orders across the years.

Until this recent occasion there was no question as to what the interpretation of the closure rule was but now we have this disgraceful precedent which we went through so far as the use of closure is concerned in May and June of 1956; and we have this equally disgraceful interpretation which my friend the Minister of Finance has placed on the closure rule.

As hon. members are aware there are other aspects of the present situation into which I could go but I shall avoid confusing the issue at this time. It seems to me, in addition to the atmosphere in which we find ourselves, that this one point in the minister's speech which I have emphasized is an indication that the government feels it is authorized to take dictatorial action quite properly. Because that is not so, I think it is clear that this parliament should not continue.

As I indicated on June 11 in so far as interim supply involves the provision of money for the government to pay civil service salaries and wages, we shall of course support the bill, preserving the rights of any other members who wish to speak on this motion today and preserving also our right to discuss all of the items in the estimates as they come before us during whatever period this session continues. Nevertheless it is still our view, as I indicated on the occasion of the last interim supply motion, that the government does not have the moral authority to ask this of parliament in a routine way just as if everything had got back to normal. It has not got back to normal. The only way in which parliament can be restored to the position of moral authority which it requires to carry on its business is for this House of Commons to be dissolved and a new one elected.

Mr. Chairman, we are not in the position today on June 22—it should be borne in mind that we are discussing salaries to be paid on July 15—that we were in on June 11. As some newspapers have pointed out, the opposition had it chosen to do so could have forced the government that date into a very tight corner. Some newspapers even suggested that the opposition could have forced the government into an election.

We are not in that position today. We are not able to use what might be called force. We are putting it to the government on a straight moral basis as an appeal—I have strong suspicions that there are those on the government side who agree with us—that it would be better for parliament, better for Canada if the scenes we witnessed here and the experiences through which we have gone, and the atmosphere that now obtains, were wiped out by the dissolution of this parliament and the election of a new one with the moral authority to serve the interests of the Canadian people.

Mr. Blackmore: Mr. Chairman, before I proceed to discuss what I had intended to discuss on this occasion it becomes my responsibility and privilege to set forth in a few words the general attitude of the Social Crediters in this house respecting the subjects and the situations with which the Leader of the Opposition has dealt today at considerable length, and in connection with which the hon. member for Winnipeg North Centre has made certain additional remarks.

We Social Crediters feel that the government has brought this interim supply resolution before the committee in good time. We think there is nothing wrong or unusual or immoral in asking for interim supply in this manner and at this time. Hence this committee should pass the resolution after reasonable discussion.

There is a matter which I should like to raise which affects my constituency and I presume a good many others in the country. I should like to read a telegram which came to my office. It is dated June 15, 1956 and reads:

John Blackmore,
Member of Parliament,
House of Commons,
Ottawa, Ont.

Lethbridge confronted with serious shortage of mortgage money for housing can possibly mean 50 per cent labour layoff within 60 days your assistance urgently required.

Arthur L. Batty,
First Vice-President,
Lethbridge House Builders
Association.

I suppose a telegram similar to that has reached nearly every hon. member of this house. I feel most unhappy about the condition which has developed in Lethbridge. I have already raised the question of the effect upon my constituency brought about by the increase in the rediscount rate by the Bank of Canada. I believe that the particular conditions which have been brought about in my constituency are absolutely and unqualifiedly unjustified in this country. If with all our modern means of managing finance we cannot prevent a suspected inflation in the country as a whole, without practically crucifying various parts of that country, then

it is high time we adopted a different course in the management of the banks of this country.

Only this morning I received a letter which contains a statement indicating the kind of thing which has been brought about in certain other areas. This letter comes from Willowdale, Ontario, but it refers to conditions which exist in a constituency represented by an hon. member. The letter reads:

> Do you appreciate what the sudden curtailing of credit by banks and other financial institutions has done to the small builders of homes and their sub-contractors? The following is a typical example. John Doe of North York used to build four houses at a time. Previous to June 15th he had never experienced difficulty in obtaining mortgages. When he couldn't arrange mortgages on the last four he started building he couldn't pay his sub-contractors who had made the excavation, put in the footings, put on the floor joists and rough floor and done his brickwork and put on the roof. Because he couldn't pay the sub-contractors they couldn't pay their men, nor could they meet their payments on cars, trucks and equipment. One sub-contractor was only a few days overdue on his payment on his truck. He was working on my house when the finance company's bailiff seized it. I saved him by loaning him $50. If I hadn't he would have lost his truck, equipment and his means of earning a living.

May I interpolate, because of action on the part of the Bank of Canada! No effort has been made to prevent people being distressed by the seizure of their property. The letter continues:

> Economic conditions in North York are getting chaotic. Thus we see the international bankers ordering the national banks to call loans and restrict credits on the pretence that it is to halt inflation. All it does is shake down the little man. He is forced to liquidate many of his assets at half their value—

May I interpolate again, so that people who are interested in high finance in this country can buy them at half price, thereby enriching themselves to the extent to which the poor man is impoverished. The letter continues:

> —or lose everything he has because the banks suddenly and without warning shut off his normal credit. In other words the international bankers have ordered the Bank of Canada to create conditions which play right into the hands of the communist leaders in this and other so-called free countries. All the working men and little contractors are blaming the government for their present misfortune. May I ask what their elected representatives intend to do about it. So far I haven't been able to arrange a mortgage on my home although several real estate agents have appraised it as being worth $15,800. One big mortgage company told me "we are now restricted to giving mortgages on houses valued at over $25,000".

Before I unfortunately had to go away for two weeks, I heard one or two members of the banking and commerce committee, of which I am a member, who represented such areas complain about this very situation. But no ear was turned, no consideration was given to their complaints; these things were just shaken off as being just "one of those things". As far as I am concerned, the misfortunes which are being inflicted upon the Lethbridge constituency are not "just one of those things". Those are misfortunes which are deliberately brought on by the Bank of Canada at the instigation of international banking concerns. Until it can be proved otherwise, I make that statement, positive that I can prove it if given time.

We have heard already a statement, which I am not able to document to the date, but we have heard a statement that there is a trend in Canada toward greater international control of our finances. That is exactly the abomination which was attempted when we accepted the Bretton Woods agreement. We in Canada were no longer big enough and wise enough to manage our own financial system.

The first bank of this country was managed at a little place in New Brunswick, just a small province, and they got along splendidly. They did not have to have anyone from London or New York interfering with their affairs, to tell them how or how not to manage their bank and their economy. They could get along very well. They helped their people to finance production and consumption. They protected those who depended on their bank. In the light of that, can anyone conceive of a reason why the great Dominion of Canada in the year 1956, with all the economic power that it possesses and with all the experience it has had in banking, cannot run its own affairs financially? Now I think I have said enough.

An hon. Member: Hear, hear.

Mr. Blackmore: There are several people who want this closed off. Several people in the banking and commerce committee wanted this discussion closed off, but the simple fact of the matter is that the members of this house have the responsibility to see that this kind of thing is not closed off and that this kind of abomination is rectified before it goes too far. That is exactly the kind of thing that happened in communities all over the country when the great depression came. As a result of the first moves toward the great depression the wheels started running downhill, and no one knew how to stop them from running further downhill. We had the most terrible experience during the depression. We do not want to get into that condition again. We want the wheels to be running on the right hill, and we want the right wheels, and run by the right people.

I urge the minister to see that something is done without further delay to rectify the financial conditions existing in the Lethbridge constituency. It is not a minor constituency of this country; it is one of the best economic areas in Canada. It has splendid resources, splendid businessmen and splendid businesses, and it has fine industrial equipment up to a point. There is no reason why the city and district of Lethbridge should be plunged into a depression by some action down here in Ottawa. In the depression of 1935, when we came here to Ottawa and began telling the house the troubles we were having, most of the members in this house sitting on the Liberal side shrugged their indifferent shoulders and indicated that it was our own fault and that it was our own business to get ourselves out of the difficulty. Now we have got ourselves out of the difficulty, they want to push us back in again. This has gone too far, and so I ask the minister once more, not necessarily that he speak here, but that he speak to the right people of Canada to rectify the financial difficulties, not only of the people of Lethbridge constituency, but of the people all over Canada.

Mr. Hees: Since it is about three minutes to one, may I call it one o'clock?

An hon. Member: Go on.

The Deputy Chairman: Is it agreed that I call it one o'clock?

Some hon. Members: No.

Mr. Hees: Well, if you want me to put in time for three minutes, I do not intend to begin what I am going to say now and break it off at one o'clock. So if you want me to stand here and put in time for three minutes, I shall stand here. Shall we call it one o'clock?

Some hon. Members: No.

Mr. Hees: I thought the speech the Leader of the Opposition gave this morning was one of the most thoughtful, one of the most well-directed, and one of the most concise speeches I have ever heard given in this house. It was a good lesson in directness, pointedness and in background for all Liberal members of the house. For instance, the Leader of the Opposition was able to stand up and say what he feels, directly and clearly, without any fear that he should not say certain things because they might hurt sensitive feelings, whereas when Liberal members speak they have to keep looking over their shoulders to see what the Minister of Trade and Commerce is thinking about them or what the Minister of Finance is saying. Even the Prime Minister used to cast dagger looks at some of these figures, but he has pretty well stopped doing that now because he is leaving things to other people to look after. But I thought the speech this morning by the Leader of the Opposition was a marvel of clarity and of directness.

An hon. Member: You are best known for your sincerity.

Mr. Hees: He told the government exactly what he thought in the minimum number of words.

Some hon. Members: Oh.

Mr. Hees: There was no doubt in anybody's mind of what he wanted to say, and he certainly said it.

May I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Hees: Mr. Chairman, I should like to discuss for a moment the matter brought up this morning by the Leader of the Opposition regarding the phrase which the Minister of Trade and Commerce used on the television program "Press Conference" a week ago last night. There were many of us who listened to that program, and at that time we heard the Minister of Trade and Commerce clearly say: "We violated the rules."

An hon. Member: No, no.

Mr. Hees: I have spoken to the gentlemen who interviewed the Minister of Trade and Commerce on that program and they are unanimously of the opinion that he used those words. All of them were very surprised that he should have used such a phrase and they discussed it among themselves afterwards. Mr. Bain said to the minister, "I was very surprised to hear you say 'we violated the rules' ". Mr. Bain says that the minister said, "Oh, did I say that?"

To make absolutely sure, Mr. Chairman, that my ears had not deceived me I have just spent the last hour or so at the C.B.C. studio and I have heard played back several times their recording of what was said during that press conference. The Minister of Trade and Commerce said: "We violated the rules".

An hon. Member: "No rules".

Mr. Hees: A tape recording has been made for me by the C.B.C. and it will be in this building very shortly. In fact, I am advised by my colleague the hon. member for York West that the recording is here now and I cordially invite any minister or any hon.

member who would like to hear the voice of the Minister of Trade and Commerce clearly say, "we violated the rules", to listen to him say it in the opposition lobby right now. That will clear up this whole matter for all time. It will clear up the Prime Minister's attempt to mislead the house with regard to this matter and also the very direct attempt this morning of the Minister of Trade and Commerce when he denied having said these very damaging words. As I say, if there is any doubt in anybody's mind the tape recording made by the C.B.C. in the last hour from their own recording of the proceedings that took place on that evening is in the opposition lobby for anyone who wishes to listen to it. So let us have no more—

Mr. McCann: Oh, go out and entertain yourself.

Mr. Hees: I have entertained myself very much listening to the Minister of Trade and Commerce say what I said he said.

Mr. McCann: I heard it and he did not say it.

Mr. Hees: Then I invite you to go out into the opposition lobby and hear him say it over again for your benefit. Go ahead. You see, that is what we run up against. Ministers make statements—

Mr. Richardson: May I ask a question?

Mr. Hees: Certainly.

Mr. Richardson: Would the hon. gentleman excuse me? I would prefer to go out and hear the Minister of Trade and Commerce rather than to listen to the hon. member.

Mr. Hees: That suits me very well because I do not think—

Mr. McIlraith: You do not think, period.

Mr. Hees: —that the hon. member for St. Lawrence-St. George has ever added to the proceedings of this house either while speaking or while listening.

Mr. McCann: More than you.

Mrs. Shipley: A great deal.

Mr. Hees: I see that the member for St. Lawrence-St. George cannot even make up his own mind on the little matter of whether or not he will leave the house. He said definitely he would. Then he went outside and said to himself, "My gosh, maybe I have not done the right thing. I might miss something." So he turned right around and came back in. Now he is going out again. He cannot decide whether he wants to stay in or go out.

An hon. Member: He will not miss much.

Mr. Hees: That is a good example of the kind of decisions that are made on the other side of the house. The statement that the Minister of Trade and Commerce made, "we violated the rules", is nothing new in this house as far as the government is concerned, this tired, old gang of power-hungry politicians, because that is the concept of government that the cabinet has been developing over the past few years. That concept simply is that if the rules suit the government the government will abide by the rules, but if the rules do not suit the government they will change the rules without allowing one word of protest, one question of privilege, one point of order to be raised. They will summon their majority and by using the rule of might makes right they will bring about whatever rule change suits their desire at the moment.

During the pipe line debate we saw rules of parliamentary procedure that have been built up over several hundred years in the British parliament and during the past hundred years in this parliament thrown out the window. They did not suit the government's purpose. It became very clear that if a rule impeded the will of the government the government would simply change the rule. That is how dictatorships are born. That is how dictatorship became a reality in this chamber in the last few weeks. Of course, this could only be made possible by the complete subordination of the chair by the cabinet, and that all who were in the chamber during that debate or who were sitting in the galleries very clearly saw.

Mrs. Shipley: Oh, speak for yourself.

Mr. Hees: I am speaking for myself. I am at least doing what no Liberal member is allowed to do in this house. I am speaking my own views without fear of—

Mr. Sinclair: Of what?

Mr. Hees: —being told that I do not have the right to stand up and speak my views. I am doing exactly what the hon. member for Timiskaming has advised me to do.

Mr. Sinclair: What happened when the hon. member for Calgary South tried to get up to speak on the Tory roster?

Mr. Hees: When the hon. member for Calgary South rose to speak he was allowed to speak, and—

Mr. Sinclair: He was cut off.

Mr. Hees: —he was listened to. I believe he spoke oftener than any other Conservative member.

Mr. Sinclair: Oh, oh!

Mr. McIlraith: The Tories tried to cut him off.

Mr. Hees: I should like to ask the voluble Minister of Fisheries why more people on his side of the house, more Liberal members, did not have the courage to get up on their feet and speak on behalf of this measure that the government jammed down the throats of members of parliament and the Canadian people.

Mr. Sinclair: Fifty-three members did.

Mr. Hees: I noticed that the minister confined all his remarks to heckling and speaking from his seat. He did not have the courage to stand up and speak on behalf of the measure he heralded so widely. He simply sat and, with the Minister of Citizenship and Immigration, confined his contribution to snide remarks made from the security of a large majority and while sitting in his seat.

Mr. Sinclair: Fifty-three Liberals spoke; eight ministers.

Mr. Hees: As I have said, Mr. Chairman, the creation of this dictatorship in parliament was only made possible by the complete subordination of the Chair to the wishes of the government. It is very obvious that between ten o'clock on the night of Thursday, May 31, and eleven o'clock on the morning of Friday, June 1, a gun was put to the head of the Speaker and probably the Deputy Speaker. There is no doubt that the Speaker was told either to toe the line along with the rest of his colleagues or that his future in the Liberal party was through. It was a very difficult decision for any man to make, but by means of that threat he was obviously forced by the government to do their bidding. When he stood up at eleven o'clock on Friday morning, June 1, black Friday as far as this parliament is concerned, he carried out completely the orders of the government.

During the whole debate the operation of the telegraph system between the Minister of Finance, under the dictation of the Minister of Trade and Commerce, and whoever happened to be the occupant of the chair at any particular time, was very obvious. During the expulsion of the hon. member for Eglinton it was obvious that all moves were dictated by the Minister of Finance. During most of the rest of the debate the Chair obeyed the dictates of the government and the messages were conveyed to the Chair through the Minister of Finance.

What the people of Canada thought of the government's conduct in bringing in and jamming this pipe-line bill down the throats of parliament and of the Canadian people, their conduct in parliament, and the conduct they forced upon parliament was very clearly revealed by two Gallup polls, one taken immediately before the debate and one taken immediately after it.

I think these results are interesting. Immediately before the debate the Gallup poll reported the following: Of all the people asked which party they would support if a general election were held on that day, 48 per cent of the people said they would vote Liberal, 30 per cent Conservative, 13 per cent C.C.F. and 7 per cent Social Credit. In the poll immediately after this debate took place, these were the results: 43 per cent said they would vote Liberal, 34 per cent said they would vote Conservative, 15 per cent said they would vote C.C.F. and 6 per cent said they would vote Social Credit. Hence as a result of this debate the Liberal party lost 5 points, dropping from 48 to 43. The Conservatives picked up 4 points, going from 30 to 34. The C.C.F. who opposed the government alongside the Conservative party picked up 2 points, going from 13 to 15. The Social Credit party—quite deservedly for having tagged along hanging on to the coattails of the Liberal party on this matter—lost 1 of their few points; they dropped from 7 to 6. So, Mr. Chairman, that shows you what the people of Canada thought of the pipe line bill and of the way in which the government conducted itself in jamming it down the throats of parliament and the people of Canada.

An hon. Member: Tell us about Saskatchewan.

Mr. Hees: Do I hear some bold Liberals talking about any of the three provincial elections that just took place? Surely not. I am sure my ears deceived me. I am sure they would not speak of those sad matters at this present time. So, Mr. Chairman, I back up completely what my leader said this morning in dealing with this matter. I think that the opinions expressed by the people of Canada, as shown by the latest Gallup poll, describe more clearly than can any words just what the people of Canada think of the measure which this government has recently jammed through parliament and of the conduct of that party and this government in bending the rules to suit their wishes of the moment.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

The Deputy Chairman: Shall I report the resolution?

Mr. Diefenbaker: Mr. Chairman,—

The Deputy Chairman: Is the hon. member going to speak to the resolution?

Mr. Diefenbaker: I rise for the purpose of securing the confirmation of the Minister of Trade and Commerce to a voice reproduction of the interview which he gave over the C.B.C. a few days ago. I have before me a record of the press conference of June 13, 1956. I have read this record and now, in the last few moments, have been able to hear reproduced in the characteristically mellifluous language of the Minister of Trade and Commerce—

Mr. Howe (Port Arthur): What was that word? Was it "meticulous"?

Mr. Diefenbaker: Ridiculous? I have no doubt that that applies.

Mr. Howe (Port Arthur): I thought the hon. member said "meticulous".

Mr. Diefenbaker: I was trying to be reasonably restricted in my language, but I thank the minister for his contribution, because no word describes better the contribution that he made on that occasion. I have before me the transcript which reads as follows:

> Our guest is the Rt. Hon. C. D. Howe, Minister of Trade and Commerce. Our chairman is Robert McKeown, Ottawa editor of *Weekend* magazine. Members of the press are George Bain of the Toronto *Globe and Mail*, Arthur McKenna, Ottawa correspondent of the *Wall Street Journal* and *Canadian Dow-Jones*, and Stanley Burke of the Vancouver *Sun*.

And then as the matter goes on we come to page 15, towards the latter part of the questioning, where the following appears:

> Do you take the position that all the procedural wrangle that there was in the House of Commons was mere obstruction and wasn't based on violation of rules or attempted violation of rules by the government?
>
> Howe: Oh no, we violated the rules.

Mr. Howe (Port Arthur): What I said was, "We violated no rules".

Mr. Diefenbaker: Oh, the record out there reveals the truth. Just go out and listen to it.

Mr. Howe (Port Arthur): Read the rest of the paragraph.

Mr. Diefenbaker: I will read the rest of it, but it does not alter the situation.

> We—the closure is, well, it is in the rule book, it is put there—even Angus MacInnis said that it is the duty of the government to use it in the face of obstruction.

Those are all the words, but the material words are that admission and confession by the minister,—and he could do no other, Mr. Chairman—"We violated the rules". When the minister today denied having made that statement, it was either on the basis of the fact that he was trying to delude the house or he may have conveniently forgotten words that were heard everywhere in Canada, words that gave supporting evidence—if that was needed at all—of the fact that they had indeed violated the rules as they have never before been violated at any time in the history of representative government. I also note that he made a reference to myself —and I shall refer to that—at page 14 where he used these words:

> We anticipated the delaying tactics—the obstruction—and you remember that before the bill was ever debated, Mr. Coldwell stated that his party would obstruct by every known way in the rule book, and Mr. Diefenbaker stated that this would be the filibuster of filibusters, and you remember it took us several hours to even get the bill—to get the resolution introduced.

Mr. Chairman, I do not often deny statements that are made, whether loose or untrue.

Mr. Howe (Port Arthur): It is not safe.

Mr. Diefenbaker: But the statement in question by my right hon. friend is not based on the facts. I have before me the only reference that I ever made outside of this house to the question and I read it now because I read it then during the course of a radio broadcast. The broadcast was given in the month of March. This is what I said:

> In July, 1955, the Conservative party fought, under the inspiring leadership and generalship of George Drew, for the restoration of parliamentary supremacy. That was when Mr. Howe tried to force through parliament the grant to himself of a blank cheque of absolute and dictatorial powers, under the Defence Production Act.
>
> That battle we won.

Mr. Howe (Port Arthur): This one you lost.

Mr. Diefenbaker: I beg the minister's pardon?

Mr. Howe (Port Arthur): The next one you lost.

Mr. Diefenbaker: My right hon. friend says we lost the last one. We did so. They changed the rules between innings. They threw the rule book out. They did not dare to trust to the ordinary, traditional procedure of parliament. We lost the last one in parliament. We will give you an opportunity —as you were challenged to do over and over again—to go to the country now and let the people decide with regard to this matter.

Mr. McCann: What about Saskatchewan?

Mr. Diefenbaker: You answered us in parliament with your majority of automatons that jumped at your command. But no government in all the history of this country has ever been so taunted and challenged to go to the country as has this

government in the last two weeks. How do they meet it? They meet it with fear, maintaining silence.

Mr. Howe (Port Arthur): How could anyone look across this aisle and fear?

Mr. Diefenbaker: I will deal with that in a few minutes when I finish this quotation. I said:

> That battle we won.

That was one time when the Prime Minister was able to do what, in his heart of hearts, he has wanted to do and that is uphold parliament. It could only be done after my hon. friend went on a fishing trip. Then, when the hon. gentleman was away, parliament won. This pipe line debate took place at a time when the Minister of Trade and Commerce did not think it convenient to go on such a trip. I continue the quotation:

> But let me tell you that the fight we put on then will appear but a skirmish beside the battle we shall wage when the bill regarding Trans-Canada Pipe Lines Limited, comes before parliament.

Those are the remarks I made. Nowhere was there any mention of a filibuster.

Mr. McCann: Now, you are getting funny.

Mr. Diefenbaker: There was a declaration that the opposition was going to take its stand on behalf of the rights of parliament and on behalf of the things in which it believes. None of us expected then that this government would ever have done what it did. It tore up the rule book. Three hundred years ago a representative of the crown removed from the *Journals* record two pages concerning two certain dates. In this case all the government did, with the assistance of the Speaker, was simply something that can only take place in one part of the world and that is when crossing the international date line in an easterly direction; they said today is yesterday.

Yes, we have challenged you to go to the country.

Mr. Howe (Port Arthur): In a feeble kind of a way.

Mr. Diefenbaker: Feeble? What must we do? Tear up the rules and walk over there and shove you out? Is that what you want? We simply say to you, you dare not do it. You are afraid. You are silent. You tore up the rules and you destroyed the constitution. You did all those things. But, sir, never before has a government with such an overwhelming majority, as numerous as the sands of the sea, been taunted, challenged and dared so frequently. But there they sit. The interruptions in which they indulge are all we get. They dare not take the chance.

Now, sir, I am going to make a suggestion. We realize that the Minister of Finance is a great believer in cyclical budgeting, at least he inherited the mantle of the former minister and was a member of the government that brought forth the proposition that cyclical budgeting was indeed the essence of good parliamentary procedure. Cyclical budgeting in the last seven or eight years has consisted of reducing taxes just before an election. You reduced taxation in 1949 just before the election. I think some income taxes went down 30 per cent.

Mr. Harris: And in 1955.

Mr. Diefenbaker: In 1953; we will deal with that in a moment. In 1949 there was a big cut. Then, came the election with the attendant success and up went taxes. There was nothing more heard about it until 1953 when, as if again by coincidence, taxation was reduced. The trivial reductions in 1955 are meaningless. They do not win elections. This is my suggestion. If all you want is the opportunity to reduce taxation, to hold out the bait that you held out in 1949 and in 1953, let us have a baby budget. You will have the opportunity now to introduce one and also to interlard it with promises of health insurance. Bring those things in right now, and then go to the country. You will have all the benefits, all the advantages of cyclical budgeting. Besides that you will be able to go to the country now at a time when things are so favourable to you as you contend. We will support your baby budget. We will help it through. Then, you will have no other excuse for not going to the country.

They dare not go, Mr. Chairman; they know that across Canada the people are aroused as never before.

Mr. Howe (Port Arthur): The voice of Saskatchewan.

Mr. Diefenbaker: My hon. friend should not speak about that. The voice of Saskatchewan did not say anything particularly favourable to the Liberal party. The only thing it showed was that the ambitious plans and the promises of a few weeks ago were dissipated in the light of experience.

I again suggest this. Do not worry about Saskatchewan. You might also think of the province of New Brunswick. Some of my hon. friends over there are the ones who made such a magnificent contribution in the province of Quebec a few days ago.

Mr. Lesage: It was much better than the Tories in Saskatchewan.

Mr. Diefenbaker: Not very much better.

Mr. Hees: How about the Tories in New Brunswick?

Mr. Diefenbaker: My hon. friend the minister interrupted me a moment ago. I say this for him. He was the last to see the light in the province of Quebec. He finally went down against his better judgment, and he and the other ministers who went into Quebec found that their interference there brought them dividends which they certainly did not expect. They were just going to wipe out that government.

Mr. Lesage: You do not know how to read the newspapers. You do not know what happened in my own constituency.

Mr. Hees: You get up and tell us what happened.

Mr. Lesage: I will.

Mr. Diefenbaker: I think my hon. friend the minister often trades in his constituency and that was the result that was achieved in his own constituency. But go to the country now.

Mr. Pickersgill: Who was elected in Prince Albert?

Mr. Diefenbaker: I have often thought of my hon. friend the Minister of Citizenship and Immigration as a "Gliberal". He would believe anything twice, as Mencken once said. My suggestion is this. This parliament has lost its prestige. This parliament no longer speaks in accents of authority. This parliament no longer represents the integrity and dignity of the people of Canada. These things cannot be achieved by this institution in its present form, and I say that in no partisan sense.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: My hon. friends laugh. This is but a hollow shell of its former self. It has been discredited as no other parliament has been by the malicious actions of this government, two or three ministers, all of whom have contributed to reducing it to possible servitude because of the majority the government possesses. The Minister of Trade and Commerce with unaccustomed truthfulness admitted to the people the other day: "We violated—

An hon. Member: No rules.

Mr. Diefenbaker: —the rules. Mr. Chairman, the Scriptures speak of those who have ears and cannot hear. Let those of you who have ears of that kind go out into the lobby and listen and be convinced.

Mr. McCann: You got that out of the almanac.

Mr. Hees: Ask the C.B.C., which made the recording.

Mr. Diefenbaker: I have the C.B.C. recording here. Out in the lobby is the recording—

Mr. Hees: Made by the C.B.C.

Mr. Diefenbaker: —made by the C.B.C., the sacred instrument which is under the direction of the Minister of National Revenue, and I say that with great respect for the C.B.C.

Mr. McCann: It is the first time you have ever had any respect for it.

Mr. Diefenbaker: Is that so? The C.B.C. does not deceive. I ask the Minister of National Revenue to go out in the lobby and get a photostatic copy by ear. He knows something about photostats and in the lobby he can get a photostatic copy by ear of what the Minister of Trade and Commerce actually said.

Mr. Hees: Go out and get educated.

Mr. Diefenbaker: When I mention photostats, Mr. Chairman, I speak of a subject I know the Minister of National Revenue will remember as long as he has memory.

Bring in the baby budget; bring in the taxes; make an alteration of the tax now imposed in connection with the C.B.C. Go to the country; see if we cannot restore this institution and give it a heart and soul, such as it used to have, rather than leaving it as it is, an empty shell consisting only of individuals; a parliament deprived of its great dignity, emasculated as a result of the actions of men who although they hold ministerial positions and give lip service to democracy have attempted to destroy it in the last few weeks.

I ask my hon. friend the Minister of Finance what would happen to justice in this country if every time you had a court case that was difficult you were permitted to say, "The rules of evidence do not apply here; let us set them aside. After all, we cannot win under the rules and that being so let us alter the rules or destroy them if necessary." I ask the minister how long justice would prevail in our country under those circumstances? How long would order exist? How long would decency be preserved? That is exactly what has happened here in this house. No one who went through the experience of two or three weeks ago can ever again feel as those of us who respect parliament felt concerning this institution, which was great in its achievements in the past regardless of what party was in power.

The Leader of the Opposition said that the Minister of Finance dared not deny collaboration on his part with the Speaker. He would

not deny that ministers saw the Speaker between Thursday evening and Friday morning when the Speaker came into the chair. "Government and Parliament" by Herbert Morrison, regarding the Speaker in England, says:

> . . . but upon being appointed Speaker he rigorously cuts off his party affiliations. He declares his honourable intention of being the impartial servant of the house as a whole and that in particular he will do his best to safeguard the rights of minorities.

Today the Minister of Finance was given the opportunity by the Leader of the Opposition to deny that he had contributed his helpful co-operation to the Speaker—or that some ministers did—between 10 o'olock on Thursday evening and 11 o'clock on Friday morning. When the minister did not deny that today the whole picture became perfectly clear, a picture that is a negation of what parliamentary government should be. When a man in the high and honourable position of Speaker finds himself subject to the suggestions and the direct or indirect influence of ministers of the crown, such a thing reveals in its naked awfulness what happened to parliament only three weeks ago.

We vote you interim supply on this occasion—

An hon. Member: The house votes it.

Mr. Diefenbaker: —and we say to you and the house, "Take your supply; we give it. There is no means by which we can hold supply from you at this time". And that having been done, if you have an enticing, illusive or seductive budget to offer, bring it in, even in short form, Mr. Chairman, and then give the people of Canada an opportunity of seeing whether or not they condone the manner in which the rights of parliament were sacrificed three weeks ago and the means by which the individual and traditional rights of parliament were cast aside and destroyed.

You cannot change the rules between innings in an ordinary game. Parliament cannot survive if the laws and traditions based on hundreds of years of practice and experience and political wisdom are cast aside for the momentary advantage and expediency of a government that finds itself in difficulty.

Mr. Cameron (Nanaimo): Mr. Chairman, we have heard a great deal this afternoon as to whether or not the Minister of Trade and Commerce stated that we—meaning the government—violated the rules of this house. As I listened today I wondered if perhaps it is not rather irrelevant whether or not the minister said that because I am sure no one, and least of all the Minister of Trade and Commerce, would presume to think of him as an authority on parliamentary procedure. I would think it would be very doubtful whether or not the minister would know if the rules had been violated. However, from the investigations I have made among those people who were present at the broadcast, I have no doubt whatever in my mind that the minister did say it, but I think there is a reasonable possibility that it was a slip of the tongue. But I wonder, Mr. Chairman, if it was the sort of slip of the tongue that psychologists would call a Freudian slip, and if the minister's subconscious forced him against his will to speak the truth.

Now, Mr. Chairman, I think that slip of the tongue on the part of the minister also reveals a very dangerous attitude on the part of too many members of the cabinet opposite. I have an idea that somehow or another they have developed some rather dangerous conceptions of the role of parliament and its place in our national life.

I suppose most of us realize that here in this institution we are obliged to operate to some extent on the basis of a number of fictions, shall I say, although necessary fictions. They are perhaps somewhat the same sort of fictions by which a wise and prudent wife maintains the institution of matrimony, being so very careful not to reveal to the vulgar eye the realities behind that institution because if she did the institution would collapse.

I have listened with great interest over the past few weeks to citations of precedents in our parliament reaching back many centuries into the past. It has occurred to me on a number of occasions that these references were in some measure irrelevant to the present situation because parliament is not a static institution, it is an evolving institution. The time is not so far distant since the whole role of parliament was that of an opposition, opposition to the executive power of the crown which up until the beginning of the 18th century rested entirely outside the legislative body.

However, we find a different situation now, we have the executive power of the crown brought right into the legislature and those who wield it becoming part of that legislature. For that reason we have, as I say, a number of necessary fictions, necessary because there is always a possibility that the occasion may arise when the fiction has to be made into reality. One of those fictions of course is that parliament decides things. We all know that that is not really the actual truth. I think it is safe to say that we have reached the point where not even the majority actually decides.

The time may come at any moment when members of parliament, particularly the members who support the government, may be faced with such a situation that they have to use these powers which are now largely fictional. For that reason we have to be most careful about preserving these fictions in our parliamentary life. We have to be careful not to expose the real nature of parliament for most of its time and for that reason the government of the day has laid on it a particularly onerous responsibility, to walk delicately like Agag and not to create a situation in which the general public is revealed that not only are the opposition members in the House of Commons powerless against the government majority, but they must also not reveal to the public the fact that in order to maintain the stability of the government the members who support that government must do so willy-nilly.

There is a third responsibility on the government, and this is particularly applicable to Canada in distinction from the mother of parliaments, that is that the government must at all times and at all costs make sure that it does not place the presiding officer of this institution in such a position that he may be charged with partiality in his decisions. Those I think are the responsibilities that a government has and I have the feeling that our present government has fallen into the very bad habit of imagining that the sole role of parliament is to implement and endorse the policies and decisions of the executive. I think that is a most dangerous position for them to take.

It is understandable why this government has fallen into that position. For one thing, it has been in office for a great many years. For another thing, it has a large and overwhelming majority in the house. Another—I am going to mention again the particular factor in this government which I mentioned earlier in the session—is the make-up of the present government. When I say these things I do not want them to be interpreted as criticisms of individual members of the government, but I do want to point out that when many of the leading and most influential members of the government have reached their positions not by the traditional parliamentary route, there is very grave danger to the whole institution of parliament, very grave danger I think to the life and vigour of the party which supports the government.

Not only that, there is great danger—I think this danger has been realized to a great extent today—that we have in the House of Commons, wielding part of the executive power of the crown, ministers who have not been trained and acclimatized in parliamentary life, who have not had the necessary discipline of sitting as private members for a period of time and in this instance—this is no one's fault but that of the electorate—have not had the necessary discipline of sitting as private members of the opposition. I suggest to you that a government which has not gone through the traditional processes of parliamentary life is greatly endangering the future value and viability of this institution.

I believe seriously that if the present tendency continues much longer no one in this chamber will be in position to rise, as the Leader of the Opposition rose this morning, and suggest that there should be reforms in the other chamber. It is quite on the cards today that members of this house may be reduced to, shall we say, innocuous desuetude, as members in other places are commonly supposed to be. So for that reason I think the government should seriously consider what has happened in this parliament in recent weeks and realize that no matter what the measure was which they wished to pass through this chamber, no matter how valuable they might think it to be for the benefit of the people of Canada, the price they paid for it has been far too high.

Others have spoken today of the atmosphere in this house now. I do not think any objective observer can deny the fact that it is an unhappy atmosphere. There are some bitternesses and some resentments on both sides of the house. There are some doubts as to the moral right of this chamber to continue because of what has happened. I believe that if this government shoulders its major responsibility, and this I consider to be its major responsibility—the major responsibility of any government in a democratic society is the maintenance and support of democratic institutions—then it will leave no stone unturned to undo what has been done.

I suppose it is true to say that no one is particularly impressed with the efficiency of a democratic parliament as a means of carrying out positive policies. Someone has said that it would not exist at all were it not for the fact that other alternatives to it are far less desirable. I think that is true. With all its faults it is the best we can evolve, but to be maintained in public prestige—after all that is a most important factor in parliamentary life, that parliament should enjoy public prestige—it is most important that no steps should be taken in this chamber which cause doubts to rise in the minds of the public as to whether or not they are really represented in this chamber, whether they support the government party or the opposition.

For that reason I seriously urge the government to consider dealing with this situation in the only way it can be dealt with, and that is to give us a new parliament. I do not wish to rehash the past, but I should like to point out that as things stand at present the presiding officer of this chamber is left in an impossible position. Before the much-debated motion was moved the Prime Minister and, I believe, the Minister of Finance expressed the view in this chamber that permitting that motion to go to a vote would not solve any problem. I do not think that situation has changed at all. I think we are still in that situation.

I submit to you, sir, that if this parliament continues for another session it can only do so at the cost of a further decline in the prestige of parliamentary institutions in the eyes of the Canadian public, and I do not think we stand very high today. I would suggest to the government that they should accept as their major responsibility today the reinforcement of this focus of our democratic society, this House of Commons chamber.

Mr. Barnett: I do not propose to continue the analysis of the situation which I feel has been ably summed up by my friend and colleague, the hon. member for Nanaimo. Because of the fact that the Minister of Justice has regrettably been absent through illness and because of the fact that the Minister of Labour is absent on a mission, which we hope he will enjoy, in London, I should like to take this opportunity, before the resolution carries, of bringing to the attention of the house a matter which is one of some serious concern in British Columbia at this time. I may not have another suitable opportunity until we reach the details of the estimates of the Minister of Justice or the Minister of Labour and that may be some time.

I am referring to an investigation which is going on under the Combines Investigation Act into the activities of the fishermen's union of British Columbia. I might recall to the attention of the committee that on May 21, as recorded on page 4115 of *Hansard* of that date, I asked a question on the orders of the day of the Minister of Justice which was based upon a letter directed to the Minister of Labour, a copy of which I had received prior to asking that question. The Minister of Justice did make a statement which was related to the question arising out of section 4 of the Combines Investigation Act, which says:

> Nothing in this act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

The Minister of Justice went on to point out that the matter was before the courts in British Columbia, inasmuch as the fishermen's union had applied for an injunction restraining the investigation. However, this matter seems to continue to be carried forward and, as I say, is causing quite a bit of concern, particularly in trade union circles in British Columbia.

To point out on what that is based, it might be advisable if I were to draw the attention of the committee to a joint letter which was addressed to the Minister of Labour from the secretary treasurer of the B.C. federation of labour and the B.C. trade union congress, which two bodies are in process of merging as the British Columbia element of the new Canadian Labour Congress. They addressed this letter, dated June 1, to the Minister of Labour, and a copy of it was sent to me:

> Dear Sir,
>
> We wish to bring to your immediate attention the joint views of the B.C. Trade Union Congress, and the B.C. Federation of Labour, re the investigation now being conducted under the Combines Act into the affairs of the United Fishermen and Allied Workers' Union.
>
> 1. It is our contention that use of the Combines Act in regard to said union, or any union, is in direct contravention of the original intent of the act.
>
> 2. That, to preclude such use and abuse of the act, clause 4 was written into said act.
>
> 3. It is the contention of labour in B.C., that as Minister of Labour, it is your duty to protect any union from such unjust investigation.
>
> 4. Further, that the act will fall into disrepute, and will fail to fulfil its original intent if we allow it to become a weapon of persecution against the trade union movement to be instigated at the whim of any disgruntled or malicious minority.
>
> 5. According to our information the action taken by the chairman of the restrictive trade practices commission in instituting this investigation was not mandatory upon him. That he, as a public servant, should take cognizance of the implications and ramifications of his action before instigating such an investigation against a union. That, while his action is unilateral in scope at present, and impinges only against the union, and one primary product, carried to its logical conclusion it would include all unions concerned in primary production, and agricultural production, thus involving all phases of the federal government's own grain prices, and agricultural products price support policy.

The letter concludes by urging the Minister of Labour to intercede on behalf of the United Fishermen and Allied Workers' Union. In this connection I must say that I was very much gratified to see what I considered a forthright statement from the Minister of Fisheries upon this subject, as quoted in *The Fisherman,* the union's newspaper, under date of May 22, 1956. They reprint in full a copy of a letter which was addressed to their organization by the

Minister of Fisheries. In the course of that letter the minister has this to say:

I . . . took it for granted that it (the union) would be excluded under section 4 of the Combines Act.

Perhaps I should report the statement of the minister a little more fully. In part of the letter, he says:

I must confess my own surprise that the method by which the fishing companies and your union negotiate minimum prices at the beginning of a fishing season should be regarded as price fixing within terms of the act. I had always regarded it as exactly similar to wage negotiations between other companies and unions, and understood that the procedure for such negotiations was provided for in the Fisheries Act of British Columbia. I seem to recall that the provincial minister of labour has on at least one occasion acted as mediator in these negotiations. I therefore took for granted that it would be excluded under section 4 which covers union agreements.

The reference to the fact that the minister of labour of British Columbia has acted as conciliator is, I believe, quite correct. Also I might point out that, according to the information I have received, there have been occasions when justices of the province of British Columbia had acted in the same role and that this whole matter, as far as we in British Columbia understand it, has been a well-established practice for a period of the past 20 years or so and has been carried on under the authority of the British Columbia fisheries act. Consequently I think it is very understandable that the central trade union bodies of British Columbia should be gravely concerned at the rather sudden launching of this investigation.

I know when the Minister of Justice replied on May 21—and I have referred to this earlier—he indicated he felt that it was mandatory, when a request was made under section 7 of the Combines Investigation Act, that an investigation should be instituted by the director. Section 7 of the act reads as follows:

Any six persons, Canadian citizens, resident in Canada, of the full age of 21 years, who are of the opinion that an offence has been or is being committed against section 32 or 34 of this act, or section 498 or 498A of the Criminal Code, chapter 36 of the Revised Statutes of Canada, 1927, may apply to the director for an inquiry into such matter, and shall place before the director the evidence on which such opinion is based.

Then subsection 2 goes on to explain that the application must be accompanied by a statement in the form of a statutory declaration. Then section 8 says:

The director shall
(a) on application made under section 7—

Then it goes on to explain that the director can also do it on his own initiative or under the direction of the minister.

—cause an inquiry to be made into all such matters as he considers necessary to inquire into with the view of determining the facts.

It would appear from the way the act stands at the present time that certain action is mandatory as far as the director is concerned. But I would respectfully suggest that there is room for a good deal of discretion to be exercised by the director under the terms of section 8 of the act as to the type of inquiry that he initiates under certain conditions. It does seem to me that in view of the existence of section 4 of the act the director could very well have met the conditions required to be met by him under section 8 when he received an application made under section 7 by satisfying himself that the issue concerned was the proper activities carried on by a trade union in the protection of the workmen engaged in that industry, and that could have been done without taking the steps that have been taken in entering the union's premises and abstracting their documents and records.

It does seem to me that the union, in some of the correspondence they have sent to me and I think to a number of other members of the house, have made a good point when they state that their agreements made between themselves and the fishing companies of British Columbia are matters of public record, that they are on file with the Department of Labour in Ottawa and also with the department of labour in Victoria, and that it should have been possible for the director to carry on an investigation which would have satisfied him that the union was in fact carrying on its normal activities as a union organization under the particular conditions prevailing in that industry, without having to go into a full-scale inquiry.

That may be a point that can be argued. As hon. members know, I am not one who is learned in the law, but I would submit on the basis of what has been happening that if it is mandatory upon the director under the present law to engage in the kind of inquiry into the activities of a trade union which has been made in these circumstances, serious consideration should be given to changing the law to provide the kind of protection that I believe was in mind when section 4 was written into the Combines Investigation Act. I think either that is the case, or the discretion exercised by the director of the Combines Investigation Act in approaching this problem is open to question.

As I explained at the outset, Mr. Chairman, because of the fact that I felt it might be some time before I could properly raise this question on the particular estimates of an

individual department I thought I should like to put this plea before the house this afternoon.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, this resolution offers an opportunity to draw the minister's attention to a certain action of his or rather lack of action which is causing considerable uncertainty and some unrest to a large and important segment of the business community of Canada. The situation has arisen in this way. On March 20, when the Minister of Finance brought down his budget, he announced the proposed imposition, provided the house would agree to it, of a 20 per cent tax on the advertising revenue of Canadian editions of United States magazines. Having made that announcement he took no further steps in that direction, and has consistently refused to give the house any indication as to when this legislation will be brought before us for discussion or when a final decision on it will be reached by the house.

Twice in the intervening months, and there have been three intervening months since then, from March 20 to April 20, from April 20 to May 20 and from May 20 to June 20, he has been questioned on the matter. The first time was on April 12, when he said he had received certain representations in connection with this legislation. He stated then, as found at page 2852 of *Hansard:*

> All of these representations are of course being considered by the government and will be dealt with when we reach the resolution stage.

Just a few days ago, on June 15, the Minister of Finance would give no clear-cut indication as to when we would reach the resolution stage on his budget resolutions so we could deal with this particular item, and when he was asked about the 20 per cent tax he said, as found at page 5061 of *Hansard:*

> I have made no announcement and would not do so until that time, sir.

It may seem to the minister and to the majority of the cabinet, who have been out of touch with the administration of a normal business operation for a good many years—in fact I doubt if some of them have ever been in touch with it—that when a decision is reached as to the imposition of a tax the point at which it is reached has no bearing on business plans whatsoever, provided that the tax is not imposed retroactively. My principal reason for rising this afternoon is to point out to the minister that in a case such as this uncertainties do arise from the time the tax is announced as a proposed imposition until it is finally endorsed by the house, if it is endorsed, and in that period there is great difficulty for business because of the uncertainty under which it must operate. I think the minister himself recognized that to some extent when he brought down his budget resolutions in their initial stage, because at that time he said with reference to this tax, as found at page 2334 of *Hansard:*

> It will not come into effect until January 1, 1957, so that those concerned may have time to adapt their affairs to it.

It is the final words in that sentence—"so that those concerned may have time to adapt their affairs to it"—which are important. At that point the minister gave some recognition to the fact that it is necessary to adjust one's affairs to certain types and levels of taxation. That is particularly so in a case such as this.

The minister should realize that while he may plan to impose his tax on January 1, 1957, that is not necessarily the time at which many business firms will make their decisions which are affected by the tax. Many organizations in this country establish an advertising budget period of one year, and they make their plans for the entire year in advance. In a great many cases that period starts in the fall. The result is that during the summer months—during the period in which we are now right through into August and September—corporations and advertising agencies and media suppliers across this country are all engaged in planning ahead. The media suppliers are engaged in selling their space. The advertisers and the agencies are engaged in deciding which media they will use, how much of each and in what form.

The tax to which I refer—without discussing its merits at this point, because that can better be done when the resolution is before this house—will have a great effect upon these particular plans. If it is to be a 20 per cent tax it is quite likely that the advertising rates of certain magazines will adjust themselves in accordance therewith. If, as is quite possible in view of the representations made to him and in view of the arguments made in the early days of April in this house, the minister is going to adjust his plans and reduce the tax or eliminate it completely, it will affect the entire advertising pattern of many of the major industries here in Canada.

At the moment, Mr. Chairman, all these organizations are completely unaware of what the government's plans may be. They know that the minister announced a 20 per cent tax on the advertising revenue of Canadian editions of American magazines. They also know that very strong, definite, well-substantiated and intelligent representations have been made to him, both in this house and

outside it, which might very well lead him to adjust that tax downward or to eliminate it entirely. They know that the minister has evaded and sidestepped any inquiries in this house as to what may be his course of action.

Frankly, I am glad to see him sidestep, because I think it may indicate that he is coming to his senses, and that he realizes that he was led part way down the garden path by those who suggested that this tax be imposed. But be that as it may, that uncertainty exists and is going to exist until such time as this house resolves, through its action, the course which the government will be empowered to take.

I suggest, Mr. Chairman, that it is unfair to the business of this country to expect it to continue for two, three or four months in a condition of uncertainty brought about through no other reason than the government's fumbling and stumbling, and its unawareness of the normal operating methods of the business community of Canada.

I feel that it is a wise thing and a good thing that following the announcement of a proposed taxation policy or budget there should be an interim period in which business organizations and all those others who are affected may have the opportunity to make representations to the minister. I suggest that a normal period of that type might be some two or three weeks. But if within that period those organizations have not come forward and made their representations, I for one am not prepared to worry too much about them. It is their responsibility to get up here to Ottawa with great rapidity once they know the taxation pattern of the government, and to present their views on the subject to the government and to whatever members of this house they may wish to select.

Then it is the government's responsibility to examine those views. Then—and rapidly—it is the government's responsibility to bring to this house their definite final conclusions, to offer this house the opportunity to debate them, and to facilitate this house passing either the government's proposals or whatever amendments may be made to them by the house into the law of the country so that business knows where it stands.

As to this type of situation, I have picked out one specific instance, namely the advertising tax, because I am reasonably familiar with that field and because I know the uncertainties which the lack of action of the government are causing. This type of uncertainty seems to exist continuously in a great many fields as a result of announcing activities and then letting them hang around indefinitely.

As has been suggested many times, I think you must get your legislative pattern into the books early in the year. Some of it is going to have to be delayed. We admit that. But in the case of the budget, the thing that strikes right at the very vitals of the business economy of this country, I think it is the responsibility of the minister to stop horsing around, to stop living in his ivory tower so far removed from the everyday realities of the business man who must eventually pay his taxes, and to try to understand in some small way the difficulties which he is unnecessarily putting in the path of business in this country.

The Chairman: Shall the resolution carry?

Mr. Dinsdale: Mr. Chairman, I should like to use this opportunity afforded by the introduction of the interim supply resolution to bring a matter to the attention of the government. I had anticipated bringing this subject up at a later period for discussion, particularly under the estimates of the Department of Northern Affairs and National Resources. It seems, however, that discussion of this department's affairs might be delayed somewhat, and I feel the subject is of sufficient urgency to merit the immediate consideration of the government.

It does not concern the subject of the rights of parliament, which was raised earlier in the discussion today. It does, however, concern the matter of the rights of a private citizen, who happens to be living in my constituency. The name of the gentleman concerned is August Fontana, who until the year 1940 operated a farm near the town of Virden in the province of Manitoba. Mr. Fontana was an immigrant from Italy to Canada, in the latter part of the last century. He became a naturalized citizen in 1903. After much hard work and careful saving, he was able to gather together sufficient money to purchase a half section of land in the Virden area. As I have indicated, he worked that land as a farm until the year 1940. During the period he established a solid reputation for himself and the members of his family in the district. Altogether 10 children were born to Mr. and Mrs. Fontana, seven of whom still survive.

Now, it has been brought to my attention, as it has been to the attention of other hon. members of the house, that a grave injustice has been done to this particular individual either by accident or by intent. I feel sincerely it deserves the attention of the ministers of the crown at this time. Around about August 20, 1940, I believe Mr. Fontana was approached by one named Clifford Johnston, who at that time was a land inspector for the Canadian National Railways. I believe

Mr. Johnston was representing the Department of Transport and was canvassing Mr. Fontana to see if that gentleman would be willing to turn his farm over for use as an airfield under the commonwealth air training plan. Expropriation action, I understand, was taken; but before that proceeded Mr. Fontana, being a loyal and responsible Canadian, was quite happy to transfer the land for the patriotic purpose of making possible the establishment of an airfield in this particular area. The transfer procedure took place. The necessary deeds were registered in the land titles office of the town of Virden. Shortly after the Fontana farm became an elementary flying school under the commonwealth air training plan.

The difficulty concerning this transaction has arisen over the mineral rights. There was no specific mention of expropriating or transferring the mineral rights under the action that was necessary in transferring these lands to the crown. I find Mr. Fontana made no specific reference to the mineral rights. However, Mr. Johnston, the agent who represented the crown, as indicated in the petition that has come into the hands of all hon. members, specified that he definitely informed Mr. Fontana that the government would not be requiring the mineral rights.

Mr. Lesage: Oh, no.

Mr. Dinsdale: They were interested only in the surface rights, and that of course is obvious because the land was to be used for an airport and the mineral rights had no specific function in the operation of the property as an airport.

At the time Mr. Fontana had been taking gravel from the farm, and he received permission to continue the removal of certain quantities of gravel from the property that had been formerly his. Gravel, of course, is classified as a mineral in Manitoba. The total price for the transaction was $9,000, and that represents $28 per acre. This was the going price for farm land in August of 1940. The price certainly does not include any compensation for the mineral rights.

In August, 1954, the Department of Northern Affairs and National Resources inserted an advertisement in the Virden *Empire-Advance,* as well as in other newspapers, inviting tenders for the purchase of a lease of the petroleum and natural gas rights which underlie this particular parcel of land under discussion here this afternoon. Several offers were received. One was an offer of $200,000 in cash, a royalty of 12·5 per cent and an annual rental of $1 per acre per year. Now, that is a fairly substantial return for the $9,000 invested, and by that action the government was indicating it was no longer interested in any claim that Mr. Fontana had as the former owner of this parcel of land. Mr. Fontana's legal advisers immediately placed a caveat against the land and there, I believe, is where the matter stands at the moment.

The legal advisers also commenced proceedings in the Exchequer Court of Canada. According to the petition that has come into our hands, an approach was made to the Exchequer Court of Canada on February 8, 1954, alleging:

> (a) That your petitioner was never compensated in any way for the alleged loss of his minerals;
> (b) That it was not the intention of your petitioner to part with, nor the intention of the crown to acquire the mines and minerals;
> (c) That in the result the crown was being unjustly enriched at the expense of your petitioner;
> (d) That the crown should be declared to be a trustee of the mines and minerals.

The petition goes on to say further:

> That the crown immediately launched a motion in court to strike out the petition on the ground that it was frivolous, vexatious and an abuse of the court's process, and the crown succeeded in that motion. A subsequent appeal by your petitioner to the Supreme Court of Canada met a like fate.

I want to emphasize the point that the merits of the case were never discussed, merely the motion that Mr. Fontana's appeal to the courts was frivolous, vexatious and an abuse of the court's process. There has never been any court hearing on the merits of this particular case. I think that is very important in view of the events that have transpired since that time.

Section 24 of the Expropriation Act, chapter 64 of the Revised Statutes of Canada, 1927, says:

> Whenever, from time to time, or at any time before the compensation money has been actually paid, any parcel of land taken for a public work, or any portion of such parcel, is found to be unnecessary for the purposes of such public work, or if it is found that a more limited estate or interest therein only is required, the minister may, by writing under his hand, declare that the land or such portion thereof is not required and is abandoned by the crown, or that it is intended to retain only such limited estate or interest as is mentioned in such writing.

Subsection 2 of section 24 reads:

> Upon such writing being registered in the office of the registrar of deeds for the county or registration division in which the land is situate, such land declared to be abandoned shall revest in the person from whom it was taken or in those entitled to claim under him.

Subsection 3 of section 24 reads:

> In the event of a limited estate or interest therein being retained by the crown, the land shall so revest subject to the estate or interest so retained.

Subsection 4 of section 24 reads:

The fact of such abandonment or revesting shall be taken into account, in connection with all the other circumstances of the case, in estimating or assessing the amount to be paid to any person claiming compensation for the land taken.

Under the Canadian expropriation law it is clearly stated that Mr. Fontana has a definite claim of continued interest in this land which was expropriated for war purposes. The petitioner has made his appeal to what we might call the last court of appeal, the parliament of Canada, which seeks to protect the rights of the individual citizen. Because he has been frustrated in seeking recourse through legal channels he has brought his petition to the House of Commons.

There is a precedent for this type of case in the mother of parliaments at Westminster in the famous Crichel Down case. It was written up in book form and has become somewhat of a classic. The Crichel Down case arose out of certain expropriation actions that took place in the old country in order to meet the demands of war.

As a result of Mr. Down's appeal to parliament the land which had been taken to establish a bombing range was revested in the original owner. It had been kicked around by government officials for some considerable time and had been removed entirely from any claim of ownership by the farmer, Mr. Down, and had been made into a solid parcel of land operated by the land ministry. Mr. Down brought his appeal to the House of Commons at Westminster through his member. There was a public inquiry, and as a result of that inquiry he received once again complete ownership of the land. I understand the minister concerned found it necessary to resign because of the nature of the proceedings that had taken place that had deprived Mr. Down of his normal claim to this property.

In the debate on the subject in the British House of Commons which took place on July 20, 1954, as recorded at page 1296 of the British *Hansard*, Sir D. Maxwell Fyfe said:

Every citizen of good will will see his land go in time of emergency for government requirements with as much good will as he can muster—

Certainly that applies to Mr. Fontana, a Canadian citizen of Italian descent, who in every respect has made an outstanding contribution to this country and to his community. When he was approached by Mr. Johnston there was no hesitancy at all in his letting the land go to meet the exigency of war. Continuing with Sir D. Maxwell Fyfe's remarks:

—but it is taken for a specific purpose, for a specific need of the state. When that purpose is exhausted, when that need is past, what is wrong, on any consideration of morality or justice, in allowing the person from whom the land was taken to have the chance of getting it back.

In the Crichel Down case only surface rights were concerned, and the surface rights were revested in the original owner. Mr. Fontana is not interested in the surface rights. The town of Virden is operating this particular piece of property as a flying club at the moment, and the crown is renting the property for that purpose. Despite the fact it is operated as a flying club only the mineral rights are involved. There has never been any specific need for the crown to usurp the mineral rights, which would still be in Mr. Fontana's possession had there been no war and had Mr. Fontana not been forced to turn over the land for the war emergency by the threat of expropriation proceedings.

I am not making this appeal from the standpoint of legal rights. I am making this appeal from the standpoint of very deep and sincere moral obligation. There is a genuine moral obligation involved in this case. The crown is receiving an advantage that was never intended and for which Mr. Fontana was never compensated in any shape or form. I suggest to this committee, Mr. Chairman, that is a violation of the rights of a private citizen of Canada. Revestment of the surface rights of the land is not possible, but under section 24 of the Expropriation Act reconveyance of the mineral rights is certainly quite possible. It is within the power of the Minister of Northern Affairs and National Resources to undertake that reconveyance, and certainly it is within the power of the government to compensate this very worthy Canadian citizen for the wrong which has been done.

All he has ever asked for in any action taken is that he be restored to a position of equality with his neighbours who were not asked to give up their land for the purposes of establishing an airport, and who are today enjoying all the rights and privileges and advantages of owning land in an area which has become a rich oil-bearing area. He is merely asking for simple justice, equality with his neighbours. He could have been enjoying that equality, he could have been enjoying that right had he not been sufficiently patriotic to yield to the demands of the emergency back in 1940.

I do not know whether this matter has ever been considered in cabinet council, but it seems to me that it is a case deserving of such consideration. If there is any sense of moral obligation, if there is any sense of justice, then this case demands the urgent attention of the ministers of the crown. Failing that, then, as was done in Crichel Downs

case in the old country, this citizen as a free citizen of Canada deserves the privilege of having the merits of his case presented at a public hearing.

Mr. Zaplitny: Mr. Chairman, I rise to support the request made to the committee by the hon. member for Brandon-Souris. At the outset perhaps I should say that unlike the hon. member I am not personally acquainted with the party concerned. He does not live in my constituency, but there is a principle involved which I think goes much further than any individual case. I think it is from that point of view that my colleague, the hon. member for Brandon-Souris, approaches this matter.

I note from the petition he quoted that the gentleman to whom he has referred, Mr. Fontana, came to Canada at the age of 21 and settled near Virden, Manitoba, some number of years ago. As was the case with many other immigrants who arrived in Canada years ago and were of more or less adult age, he did not have the opportunity or the free time to become educated. In many cases it was difficult for these people to even learn to read or write. That may not seem like a strong argument for what I am about to say, but it is something which those of us who have had the advantage of learning, the advantage of getting some sort of education, should always bear in mind. There are many thousands of people in this country who have made a great contribution to this nation through their work, through their production, and because of the families they have raised, who did not have the advantages which were open to those of us who were younger. That is one reason we as representatives in this parliament of the people generally should give a sympathetic ear when some person in that category feels that injustice is being done.

On June 12 last I addressed a question to the Minister of Northern Affairs and National Resources with regard to this matter, and then on the following day I wrote a letter to him setting out some of the considerations with regard to this case. I am glad the opportunity has now arisen to place the matter before members of this house in a more formal manner.

It seems quite clear from a reading of the petition which was sent to most members, and of the copy of the resolution passed at a public meeting on April 21 this year, and of the letter which accompanied the petition written by Mr. Riley, who apparently was acting for Mr. Fontana, that several things stand out. First is the fact that the land was required for the purpose of an airport. The government was not desirous of acquiring a piece of land for the purpose of speculation

or with any thought of making a profit from the transaction. It was during an emergency when the government approached this farmer and asked him for the use of his land for war purposes, of course with compensation. For that reason alone I think it is quite clear that there was no intention on the part of the government to acquire anything more than surface rights and those for a specific purpose for a specific length of time, for the duration of the war.

Second, the compensation paid is clear indication that any other values or rights than the use of the surface of this half section were not a consideration. I was not in the real estate business in 1940, but I have been in it for quite a number of years since. I am thoroughly familiar with land values, not only in my own part of the province but in the area concerned. Certainly no one could argue that a half section of land in the vicinity of Virden which was sold for a consideration of $9,000 was being sold for anything but the surface use. It was not an excessive price; in my opinion it was quite a moderate price.

Third, it is now clear that by fortuitous circumstances the government stand to gain approximately $200,000 or some larger undetermined amount if they go ahead and accept the offer which has been made by an oil company, for which they paid no compensation. It could amount to a great deal more than that, but in any event it is in the vicinity of $200,000.

With these facts before us I think this committee should give consideration to the petition which has been presented. There is also the fact that the gentleman to whom the hon. member for Brandon-Souris referred, Mr. Johnston, who apparently acted for the crown in negotiating this purchase, wrote a letter dated December 6, 1955 addressed to D. O. Owens, Q.C., regional counsel, Canadian National Railways, Winnipeg, Manitoba, which I think should be placed on the record so we may know what we are referring to. The letter reads:

Dear Sir:

W 1/2 35-10-26-W 1st—Virden Airfield
August Fontana

I have read over the petition being presented on behalf of August Fontana in connection with the purchase of the above mentioned acreage in 1940 by the crown for airfield purposes; also statutory declarations by Jack Fontana, August Fontana and Deno Fontana, and to the best of my recollection believe the statements to be true.

I pause there for a moment to point out that he makes the definite statement that after carefully examining the statements made in the petition and the declarations accompanying it he believes those statements

to be true. He was the one most intimately concerned in these negotiations. I continue:

> At that time mineral rights were not considered of any particular value and were not a factor in arriving at a valuation for the acreage. Some mention was made of sand and gravel and, to the best of my recollection, Mr. Fontana had promised delivery of some sand or gravel and it was suggested he had better remove same before acceptance of his offer to sell by the crown.
>
> Yours truly,
> C. Johnston.

The important parts of that letter, in my opinion, are the ones I have already mentioned; that in his opinion the statements contained in the petition are true and, second, that at the time of arriving at a valuation of the land, mineral rights were not considered. Under those circumstances the gentleman who represented the crown in the negotiations is giving us primary evidence that the mineral rights were not a consideration and therefore, of course, no compensation was paid for them in that sense.

I suppose the Minister of Northern Affairs and National Resources could argue as a lawyer that since Mr. Fontana signed an agreement under which he surrendered his interests in that parcel of land, even without any specific mention of mineral rights, by doing so he gave up all his interest in that land. I am not going into a long argument on the legal aspects of that position.

He could probably also argue that the courts would agree with his view. Apparently the courts have ruled that the claim should not be received, but I would point out that the reason this claim comes before this committee at all is that there is something much more than the legal considerations involved. Even if the minister were to argue that this has been before the courts and the courts have ruled that the gentleman in question has no claim, may I remind him that that has not always been the end of the line. Not so long ago on two occasions in this house I had to question the actions of the government in making certain remissions of taxation to certain corporations in the province of Quebec after the exchequer court had ruled that those remissions should not be made. In the wisdom or otherwise of the cabinet, the government decided otherwise. In fact they argued that there were other considerations than the strictly legal ones involved.

I should certainly think that, if the government is willing to make a concession to wealthy corporations, which after all are not in any great need of these tax remissions that run collectively in the neighbourhood of $6 million, then in the case of a family that has contributed to the welfare of this country, the gentleman himself being now 86 years of age, desirous of leaving a little nest egg for those who are inheriting his property when he passes on, certainly the government could lean over to the side of generosity. I am sure there would not be a word of criticism from anyone in this committee nor from anyone in the country if they were to pay that amount, even if the legality of the claim is in doubt. There is a moral obligation on the part of the crown to compensate the man who was the owner of these valuable mineral rights with which he parted without his knowledge.

If the feelings in the community of Virden, where after all the people are best acquainted with the circumstances and with the gentleman concerned, are any indication of how it would be taken by the public generally, I think the government has a clear duty to give sympathetic and favourable consideration to this petition. Perhaps it would be wise to place on the record also a resolution that was passed on April 21, 1956, in Legion Hall, Virden, Manitoba, by the citizens of that community. I might note that this was unanimously passed at this public gathering. Here is the text of that resolution:

> Whereas the west half section 35-10-26-W1st, Manitoba, was during the fall of 1940 expropriated by the government of Canada for an airport (or purchased under threat of compulsion) from August Fontana under circumstances in which it is now clear that the mineral rights underlying the same were never bought, were never intended to be bought, and were never paid for, and the said Fontana remains and is the true owner thereof notwithstanding that by a mistake or accident or inadvertence in the conveyancing the title to the said mineral rights became vested in the crown in the right of the Dominion of Canada.
>
> And whereas it also now appears that the said government of Canada proposes to retain and maintain the said airport for future purposes and that in order to do so the development and operation of underlying minerals may be carried out without interfering in any way with the operation of the said airport in accordance with the regulations pertaining to the same.
>
> Now therefore we, the citizens and ratepayers of Manitoba, having heard the situation and the history of this case fully explained in a public meeting and being convinced beyond all question that the said August Fontana is the true owner of the said mineral rights and being desirous of expressing to the government as such citizens, that we would greatly deplore any action or lack of action by the said government that would deprive the said Fontana of his just rights:
>
> We do hereby petition and request the said government and the minister having jurisdiction in the matter, that the said mineral rights be restored to said August Fontana and that advantage be taken of the provisions of the Expropriation Act, being chapter 64 of the Revised Statutes of Canada, 1927, which applied at the time of the said expropriation, and particularly section 24 thereof, and that the same be invoked to do justice to the said Fontana and to enable him to receive back the title to the said mineral rights.
>
> Respectfully submitted

It is signed by the chairman and secretary of the meeting. On the basis of the strict wording contained in this resolution I can immediately see a few loopholes, in that the minister might be tempted to point out that certain statements are made which are not supported in the resolution itself by any evidence. But, apart altogether from that, in view of the fact that the government, without going out deliberately to make a property purchase which involved the rights of mineral exploitation, happened to receive a piece of property which contains those mineral rights and were in line to benefit to the extent of about $200,000, what would be wrong with this parliament giving consideration to this request?

If the government feels that it cannot go the whole way and cannot revest the rights in the original owner, then perhaps it could suggest a compromise. I am sure those who are concerned are reasonable people and would be willing to give consideration to any reasonable proposal, but certainly the government should not simply slam the door in the face of a citizen and say, "Because, on a strictly technical and legal basis, you signed an agreement by virtue of which you signed away the interest in your property, then we have nothing more to consider," and turn their back on his claims. I think that would be morally wrong, and it would be setting a very bad example.

I think this is a case where the government would be very well advised to lean to the side of generosity. As I said at the beginning, there is a principle involved. This is not the only person in the province of Manitoba, or probably in Canada, who may be faced in the future with a similar situation. I know there will not be a large number of such cases, or we hope there will not, but there will be other cases. I hope the government, by turning down this case, by shutting the door and turning their back, will not say they have created a precedent upon which they cannot go back. I hope when the next one comes along they will not say, "We could not do it for Mr. Fontana; therefore we cannot do it for you." Let us start off on the right foot this time. Let us do something for a worthy cause, and then we will leave the door open for the future to give sympathetic consideration if and when the situation arises.

Mr. Harris: Mr. Chairman, I regret that it is necessary for me to say a few words at this point. I appreciate the consideration that has been given by the opposition groups to the request for interim supply and their assurance that it would be granted. Some of the remarks that have been made have been, shall I say, of a grievance nature, but that is a matter of opinion. I can assure hon. members, in particular the hon. member for Brandon-Souris and the hon. member for Dauphin, who have spoken on one particular matter, that it will receive serious consideration and an answer will be given at the appropriate time.

I should also like to refer to what was said by the hon. member for Lethbridge and the hon. member for Comox-Alberni. I am sure the latter would expect the Minister of Justice to deal at some length with the question he raised on his estimates when he is back in the house, and I will bring that to his attention. The earlier part of the debate, however, was of a nature that I do not think I need say very much about, except that I am gratified at the attention paid to my modest effort on the radio last Friday night. I have nothing to add to that except to make a brief reference to the suggestions made by both the Leader of the Opposition and the hon. member for Prince Albert, and in particular the conclusion of the hon. member for Prince Albert when he suggested some form of collaboration. He used the word himself, and I did not recall that the Leader of the Opposition had used it. Just by way of answer to whatever was said with respect to me during that time, I should like to put on the record again what I said on June 8, as found at page 4851 of *Hansard*:

> May I rise on a question of privilege, Mr. Speaker, to deny at this point—
>
> May I interject that was the earliest time at which I could rise.
>
> —that I at any time influenced the Speaker in any manner whatsoever in the course of the debate.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Harris moved:

> That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1957, the following sums be granted out of the consolidated revenue fund of Canada, namely:
>
> 1. The sum of $264,409,639.92, being one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31st, 1957; and

2. The sum of $12,168,792.75, being one-twelfth of the supplementary estimates for the fiscal year ending March 31st, 1957;
as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 435, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: Shall this bill be read the second time now?

Mr. Knowles: By leave.

Mr. Harris moved the second reading of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

Clauses 1 and 2 agreed to.

The Chairman: Shall the preamble carry?

Mr. Harris: Clause 3.

Mr. Knowles: Mr. Chairman, there are two other clauses, clause 3 and clause 4.

The Chairman: Oh, thank you.

Clauses 3 and 4 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: Shall this bill be read the third time now?

Mr. Knowles: By leave.

Mr. Harris moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

235. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $143,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,470,423,461 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,675,484,744 will come due for payment in future years), $1,722,797,717.

Mr. Hamilton (York West): Mr. Chairman, I might say that this is very much like coming to bat in every inning so far as this debate is concerned, and I would say that even if I take my full time I will still have another inning coming to me. Therefore it will be very difficult for me to carry on with, shall I say, any follow-through in connection with the remarks I started last night.

Perhaps, however, I might be allowed to summarize some of the things I said at that time. I said first of all that I was somewhat surprised that so little concern was shown on the other side of the house about an expenditure of $1,775 million. I also referred to the extreme interest that was shown during the pipe-line debate by all parties, by the galleries and by the press, when we were discussing an expenditure of only about $200 million. I think I also said that the government indicated that they hoped to get it all back. I said that up until that time yesterday, however, we had had a speech from only one other member of the government outside of the minister. As I was saying that I heard a remark in the distance "Give us a chance".

Mr. Chairman, those gentlemen are going to get the chance, but I wonder just what their interest is in this matter. When they get the chance—and I am assuming they are going to wait for the detailed estimates—I wonder whether they are going to tell us about some article like the coat of arms that needs replacing in the armoury at Podunk Centre or some place like that, or whether they are really interested in a complete and over-all defence policy which must be laid down sooner or later by this government.

I said—and I repeat it—that it was most difficult for us over here to break through and get the information we required. The chief reason was that it is a very illusory opponent with whom we must grapple. I said as well—and General Simonds referred to this matter—that there is a hard crust of experts who surround the minister and who are responsible for bringing in each year the items which are mentioned in this book. I think I should mention again that there is every appearance that the formula used is to arrive at a total figure which the government think they can get through the house, and then work back from the bottom of their

work sheet to the top and reconcile the individual items with that total amount.

Yesterday, Mr. Chairman, I quoted one example, and I recall that after I had spoken one of the members from the Waterloo area said to me, "That is the way business must be done; this is only an estimate of what we are going to use for this year". Mr. Chairman, how can we honestly back up an estimate—at a time when we are talking about hundreds of millions of dollars—when the estimate comes out each time almost identical in amount with that which was spent in the previous year? I referred the other day to a specific item in these estimates—I think it is to be found at page 337—dealing with the repair of aircraft engines, where the total amount is approximately $119 million. I found that the sharp pencils this year have come practically to the same conclusion, dollarwise, as they came to last year; the amount of the estimate is practically the same. It seems to me that these are things that should be examined by a committee qualified to do that particular type of work.

Since I last spoke the Prime Minister has been on his feet. He is going away to a commonwealth conference. He was asked by my leader what commitments he could make to the house before he left on the calling of a defence committee here to review these expenditures. I think these are the answers he gave. He said this was not going to be possible because our constitution is quite different from the constitution in the United States, where such a committee is used. He said that all the expenditures in connection with the carrying out of the work of our armed forces in this country are recommended by the governor general. Then he said that in the United States the policy is to have these recommendations come from an estimates committee of the two houses.

Surely those are not adequate reasons for refusing to constitute a committee which for the first time could look behind the large and generous amounts that are set aside for this purpose. It seems to me, Mr. Chairman, that we are going along a road that has no turning. Up to this point we have never been allowed to get the information which the Canadian public deserves in connection with these amounts. If we approach too close to forbidden territory we are told by the minister that this is classified material, that this is an amount which cannot be discussed further because it will not be in the public interest to do so. Yet as I said last year, and I say it again this year, in connection with some of the information and in fact practically all the information that we are refused in this house, you can wait six or seven months and, if you follow the course of the news magazines, you can find the very answers that have been refused to us on the floor of the house.

Surely there is no longer reason to refuse us the actual unit cost of an aircraft or the actual unit cost of an engine for an aircraft. Surely there is no longer reason to refuse us the comparative figures in connection with what is paid for an article of that kind in this country and what is paid for an article of a similar nature in another country. Surely there is no reason for not giving us exact figures on the number of aircraft which have been produced. As a matter of fact, as I recall it, in connection with the CF-100 we were unable to get specific figures on the production schedule or the number of planes which have been produced. Yet the other day I read in the Montreal *Gazette* a complete breakdown showing how many planes had been produced. We can tie that information in, then, with the number that are operational.

When I think of the remarks made by the hon. member for Notre Dame de Grace last night I am wondering whether this refusal to give this information was not because of a dancing class mentality. That dancing class mentality is one which permits the expenditure of money for items which are not in fact contributing to the carrying out of an over-all defence policy, while at the same time we may be skimping on other items of an urgent nature.

I think the government must take the blame for the situation in which we find ourselves. I believe the people have reached the point where they feel that large expenditures of money on this type of equipment have in fact brought them along the road toward the achievement of a high standard of living, and they may be reluctant to turn back and examine them in detail. I believe that feeling has been enhanced, has been furthered, by the government; and behind it and keeping it high is a group who perhaps got their basic training during the period of depression, when one of their main objectives was to ensure that every article they could possibly squeeze out would be obtained for the particular branch of the forces they represented. As a matter of fact, at that time it may have been a very laudable effort on their part, but now that it has been carried forward into this period of inflation it may, in fact, cost us millions of dollars which are not required.

I wonder, sir, if at this time we can just take for granted everything which is set out in the white paper. It seems to me that a halt must be called at some stage, and we must ask the minister to back up the

statements which are contained in this booklet. Surely parliament is entitled to some proof of the background that goes into the making up of this annual statement. I find it difficult to understand how the Prime Minister can go away at this time, with no commitments as to the calling of a committee such as has been suggested by my leader, in the face of these charges which have been published in various periodicals by the ex-chief of the general staff.

As I said yesterday, we do not have to say that these statements are true in order to call for the forming of that committee. Here is one man who should have known what the situation was and is in connection with our armed forces. Here is the only outside evidence that to date we in the opposition can look to as indicating what may be wrong in our armed forces. Yet the Prime Minister can say there are two or three differences between the system we have and the system in the United States which preclude the opposition from benefiting from the evidence of experts such as these.

Let us not make any mistake about it. While I was talking here last night we were having distributed about 250,000 copies of the Toronto *Evening Telegram*. In that newspaper there is almost a full page story by the retiring adjutant general on the sad state of the militia. Here is a second potent condemnation of the policy of this government in connection with defence matters.

I said last night that I would have preferred, sir, if the matters of principle which are set out in these articles had been great enough to the gentleman in question to mention during their tenure of office. Even though I may feel that way, that does not mean these conditions do not exist. Perhaps these same men—and we will be anxiously awaiting an answer from the minister—have made recommendations as set out here and their wishes have not been followed. We shall never know the truth or falsehood of those allegations without the committee that has been suggested. I am only going to refer to them very briefly, but I think they should be recorded in *Hansard* in the short form in which they appear in the *Maclean's* magazine article by Lieutenant General Simonds. I think they might be recorded point by point:

1. There is no co-ordinated effort to evolve a sound and comprehensive defence policy.

2. The Canadian chiefs of staff committee is "packed" to protect the government against the receipt of unpalatable advice.

3. Senior civil servants can, by deliberate and unwarranted stalling, defeat the recommendations of the armed forces even though those recommendations have been approved by the cabinet.

4. The . . . chiefs of the three armed services are denied an opportunity to confront those responsible for political decisions with objective military advice.

5. Certain politicians . . . have raised the bogey of a so-called military "junta" attempting to usurp political powers. Such fantasies . . . represent one of the most outrageous hoaxes ever inflicted upon an unsuspecting public and Canadian political twisting at its worst and most degrading.

6. There is no facet of our national affairs in which the stamp of a colonial mentality remains so deeply embedded as in that of our national defence.

These charges are going to require a lot of explaining. It seems to me, sir, that on this occasion we will require primary evidence, not hearsay. It will no longer be possible to get by on the production of a certificate signed by the minister.

May I call it five o'clock?

Progress reported.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 419, for the relief of Elizabeth Redling Lefebvre.—Mr. Henderson.

Bill No. 420, for the relief of Marie Cecile Veronique Goudreau Johnstone, otherwise known as Lucille Goudreau Johnstone.—Mr. Henderson.

Bill No. 421, for the relief of Claire Esther Cohen Weiner.—Mr. Henderson.

Bill No. 422, for the relief of Vera Norine Tromley Ashford.—Mr. Henderson.

Bill No. 423, for the relief of Jacques Demers.—Mr. Henderson.

Bill No. 424, for the relief of Virginia Ruth Jones Lord.—Mr. Henderson.

Bill No. 426, for the relief of Geraldine Isabella Johnson Mole.—Mr. Henderson.

Bill No. 427, for the relief of Adam Forbes. —Mr. Henderson.

Bill No. 428, for the relief of Rose-Anna Rose Crombie.—Mr. Henderson.

Bill No. 429, for the relief of Esther Pheobe Brunger Abels.—Mr. Henderson.

Bill No. 430, for the relief of Lorna Elizabeth Cadorette Belinsky.—Mr. Henderson.

Bill No. 431, for the relief of Benjamin Franklin Luther.—Mr. Henderson.

Bill No. 432, for the relief of Gordon Frederick Collins.—Mr. Henderson.

HAROLD BARNES

The house in committee on Bill No. 425, for the relief of Harold Barnes—Mr. Henderson—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

Mr. Nicholson: Mr. Chairman, this is another bill that originates in the province of Newfoundland. The petitioner is from the village of Corner Brook, and I notice that

both the petitioner and the co-respondent appeared before the Senate committee.

Some hon. Members: The city of Corner Brook.

Mr. Nicholson: It says the village of Corner Brook here.

Mr. Byrne: It is not out in Saskatchewan.

Mr. Stick: You should know your geography a bit better.

Mr. Knowles: Blame the Senate.

Mr. Nicholson: It reads:

In the matter of the petition of Harold Barnes, of the village of Corner Brook, in the province of Newfoundland; praying for the passage of an act to dissolve his marriage with Edna Barry Barnes, of the village of Stephenville, in the said province.

Mr. Chairman, this is another of the unfortunate cases which come to our attention every time we consider these bills. There is a little boy involved in this case. He has been passed from his mother to his father. I think hon. members of this chamber and of the other place really should not be called upon to take action in cases where small children are concerned. Surely there must be a better way in which to handle these problems than to bring a petitioner all the way from Corner Brook, Newfoundland to the Senate chamber, and to have the co-respondent appear and give evidence in the same room.

I am not in a position to question the accuracy or inaccuracy of the statements made by either the co-respondent or the petitioner, but I do feel that before many months elapse we should find some better way to handle these cases. I hope the chairman of the committee on miscellaneous private bills, the hon. member who is sponsoring this bill, before the end of the session will bring in some recommendations with a view to relieving hon. members of this house of the responsibility of deciding whether or not there has been collusion in these cases, and whether or not having the co-respondent and petitioner appear simultaneously is the best way to handle these problems.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[Mr. Nicholson.]

NIAGARA LOWER ARCH BRIDGE COMPANY LIMITED

Mr. W. L. Houck (Niagara Falls) moved the second reading of Bill No. 434, respecting the Niagara Lower Arch Bridge Company Limited.

He said: Mr. Speaker, there are two important reasons why this bill is being brought before this honourable house, and I pray the indulgence of the house to make a brief explanation of the bill itself and to give a short outline of the history of the bridge.

This act respecting the Niagara Lower Arch Bridge Company Limited is similar to an act respecting the Detroit and Windsor Subway Company, which was passed through this house in February, 1953.

This federal act is necessary because the bridge is international, and simply corrects a technicality in the company's charter. The import of this bill is that the company is authorized and empowered to sell, assign, transfer and convey to any company, body or commission its bridge, the approaches thereto, all appurtenant structures, works, undertakings, franchises, privileges, powers, rights and property, real, personal, and mixed so far as the same are located within Canada, possessed by, vested in or to it belonging or heretofore possessed by vested in or belonging to The Niagara Falls Suspension Bridge Company. However, may I state that any assignment, transfer or conveyance must first be approved by the holders of two-thirds of the shares at a special general meeting of the shareholders, duly called for the purpose of considering this sale.

Although there is no question as to the validity of the company's title to its undertaking, doubts have arisen as to its power to convey its undertaking, and more particularly to convey its franchise to operate a bridge and collect tolls thereon. Naturally, the purpose of this proposed act is to remove any such doubts.

I would now like to say a few words about the history of the bridge. In 1844 the Hon. William Hamilton Merritt of St. Catharines, who was one of the builders of the original Welland canal, conceived the idea of bridging the Niagara river near the falls. In the year 1846 an act of parliament of the province of Canada was passed incorporating the Niagara Falls Suspension Bridge Company. There were ten original petitioners for incorporation. In the same year the Niagara Falls Suspension Bridge Company was incorporated by special act of the legislature of the state of New York. By 1848 a wooden bridge was in operation across the river.

About this time railway building was becoming very active in southern Ontario. By a special act the company was given certain rights to erect a railway bridge. In 1853, the rights granted under the act having been allowed to lapse, a further act was passed increasing the capitalization of the company to provide for the erection of a steel bridge capable of carrying a railway. The new bridge was finally built, and certain agreements between the Canadian and American bridge companies and the Great Western Railway Company were entered into and were confirmed in 1875 by an act of the parliament of the Dominion of Canada.

By 1894 trains had increased in size and weight and it was found necessary to make extensive structural alterations to the bridge. In order to finance this, yet another act was passed authorizing the issue of bonds and debentures. In 1919 further extensive work was done on the bridge structure, but this time no legislation was needed. In 1929 the bridge company was reincorporated under the provisions of the first part of the Companies Act.

The bridge company pays it full share of municipal taxes to the city of Niagara Falls, Ontario. It is interesting to note that this bridge has been in continuous operation longer than any other international bridge in the world. Traffic has crossed the Niagara river on this bridge without interruption since it was opened in 1848, except for a few hours in 1948 during the celebration of the centennial. I am sure the Leader of the Opposition will recall that day very vividly because he and the governor of New York state were the guest speakers on that occasion.

Some time ago, Mr. Speaker, the directors of the company were approached with respect to the sale of the bridge, but nothing resulted from this approach. At about that time counsel was instructed to consider the question of whether or not the company could sell or transfer its undertaking and especially its franchise to operate the bridge and to collect tolls. Counsel was of the opinion that in works, such as the bridge, in which the public have an interest, the corporation cannot delegate its powers or in any way divest itself of the obligation placed upon it by the legislature, except by express sanction of such legislature.

Someone might well ask about the capital of this company, and I just wish to state that it is divided into 15,000 shares, 7 per cent of which are held in the United States, 12 per cent in England, and the remaining 81 per cent in Canada. This stock is not listed on any exchange but it is traded on the unlisted market. This bill has passed the Senate and will of course go to the committee on railways, canals and telegraph lines.

Mr. Claude Richardson (St. Lawrence-St. George): Mr. Speaker, it is not my purpose to raise any objection to the passage of this bill, but I would point out that the important words in the first part of clause 2 are "sell, assign, transfer and convey", whereas the word "sale" is left out of the subsequent part. There may be some particular reason for this, but when the committee receives the bill I think it should consider it.

Mr. Houck: That correction will be made.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

235. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $143,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection (3) of that section, where equipment or supplies are transferred, the estimated present value thereof shall be credited to this vote instead of being paid into the special account mentioned in the said subsection (3), and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $3,470,423,461 regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,675,484,744 will come due for payment in future years), $1,722,797,717.

Mr. Diefenbaker: Mr. Chairman, there are just one or two observations I should like to make with regard to the estimates now before the committee, which have to do in general with the suggestion made by the Leader of the Opposition that having regard to the tremendous amount being expended for defence, which during the year will total some $1,775 million, a closer and more meticulous examination should be made of the defence expenditures than can be achieved through the medium of the committee of supply.

I was surprised today to hear the Prime Minister dismiss the suggestion of the Leader of the Opposition for the setting up of such a committee on the grounds that our system is different from that of the United States. I can see no merit in the excuse advanced

by the Prime Minister. These estimates are for a tremendous amount, and they cannot be given that examination which is necessary in committee of supply. This committee denies the calling of witnesses, and certainly there is springing up in our country a very strong feeling that in respect of the vast amounts being spent for defence, corresponding value is not being secured for the people of Canada. Only this evening there is an editorial in the Ottawa *Journal* which pretty well summarizes the situation. It is entitled "Too Little at Too Much Cost?"

I can see no reason why there should not be a careful examination; why these generals who enjoyed the respect of the government for so long and who are now freed from their shackles of silence should not be given the opportunity of appearing before a committee and being examined and cross-examined on their statements with a view to ascertaining whether or not there is foundation for their criticism. That to me would seem to be the logical course to follow, unless it is the desire of the minister and the government to conceal as far as possible the results being achieved by the expenditure of such vast amounts of money.

Indeed it is not so long ago that I saw figures which indicated that the cost of recruiting and training servicemen for the Canadian army was five times the cost in the United States per man, and even a greater number of times the cost of recruiting and training British servicemen. If that is the fact, and I think it is, there should be an examination to ascertain why. Laymen see expenditures being made for recruiting purposes in Canada, and the cost of advertising in order to secure recruits seems far beyond the needs of the moment if the government's attitude as revealed by the minister is to be taken as indicative of the present world situation. These and other matters deserve to be looked into and examined.

Mention was made by the minister of our responsibility to the NATO countries as one of the members of that great organization for peace. However, what do we know as a House of Commons of the attitude taken by NATO respecting the present world situation? What is the reason for the change of direction as announced by the minister, in that to a greater extent than ever before the emphasis will be on air troops and air facilities? These are questions that deserve examination.

What is the attitude of the Department of National Defence toward those nations that are doing their part to preserve our freedom in other parts of the world? What about the position today of Israel, standing in the Middle East with one or two others having a similar viewpoint toward democracy and freedom? Recently the consensus of opinion has been that Colonel Nasser no longer holds toward the free nations the friendly attitude that one would expect from the leader of a country that owes so much to Britain.

What attitude is the government going to take toward the calls for help on the part of Israel, for assistance in the form of jet aircraft? A few months ago there was uncertainty in regard to the attitude of Colonel Nasser toward the free world. Today, as we watch his activities from the shores of the Atlantic and thence through Iraq and Iran, this man shows more and more an attitude of disregard for the forces of freedom. Indeed, it would appear as though he had in mind the achievement by himself of an overlordship over all that area.

I ask these questions because they are material to our defences here in Canada. They are part and parcel of the problem of freedom being preserved in all parts of the world. Has the government as yet made a decision on the question of permitting the export of aircraft to Israel—not aircraft for the offensive, not bombers, but fighting aircraft whose business it would be to prevent, or at least to meet, any bombing attacks that might be made as against the state of Israel?

There in the Far East the situation is serious. Egypt has received colossal supplies of war material from the U.S.S.R. The man who negotiated the arrangements is the new foreign minister of the U.S.S.R., Dmitri Shepilov. He it was, who negotiated that nefarious agreement between Hitler and the U.S.S.R. in 1939. I ask the minister what is the attitude of the government to this problem, which becomes more pressing as days go by.

The Middle East is indeed the lifeline of the British commonwealth, and certainly of Great Britain herself. That area controls some 70 per cent of all the oil in the free world. Are we not now, in the light of the events that have taken place since January and February, in Canada called upon to do our part by way of assistance to Israel, to permit Israel as a bastion of defence in the Middle East to resist any aggression that may take place against her? That is a problem on which there should be information. It is one that is of challenging import to the preservation of freedom in that part of the world.

As I read the remarks of the Minister of National Defence, he glosses over the world situation. He warns here in one paragraph; he wavers slightly in another. In the light of the revelations that were made in the speech delivered about a week ago by Khrushchev during the visit of Tito to the U.S.S.R., following which there have been declarations

between Yugoslavia and the U.S.S.R. that, to say the least, are not indicative of a peaceful attitude, what has been achieved in recent months by the turnabout in attitude by the leaders of the U.S.S.R.? Would the minister enlighten the house and the country as to the attitude of the government on the recent denunciation of Stalin by Khrushchev?

Has the world situation not been deteriorating in recent weeks? Are the forces of freedom not, in recent weeks, once more meeting a very serious challenge brought about by the deceptive propaganda of the U.S.S.R.? I have read that speech of Khrushchev, as the minister has. It contains 27,000 words, a saga of the assassination of Stalin, wherein he is described as a murderer, a mass jailer of free peoples, a torturer, an enemy of freedom, an executioner without trial, and a destroyer of oppositions. It is a dangerous thing to be a member of an opposition in the U.S.S.R., for it is revealed by Khrushchev that of the 139 members of the seventeenth people's congress of 1940, 98 were shot.

This speech by Khrushchev is a testament of tyranny and a catalogue of cruelty, designed apparently to delude the free world. One of the statements that clarifies the atmosphere is that the trouble with Stalin was that he used terror at the wrong times against the wrong people. Then in another place he said that Lenin only resorted ruthlessly to the most extreme methods in the most necessary cases.

Is there a change of front? What attitude will Canada take as one of the free nations to meet the economic challenge of the U.S.S.R. everywhere in the world? Is there to be a reassessment on the part of Canada and the other free nations respecting the amount to be devoted to defence as such and the amount to be devoted as defence by way of economic policies designed to offset or meet the challenge of the U.S.S.R.? We have none of that information. What attitude are the NATO nations to take to the mass challenge all over the world of the U.S.S.R. in trade?

In the United States expenditures for aid and the like as part of the general defence picture were reduced by congress by approximately 20 per cent against the wishes of the President and his advisers. What is Canada going to do along with the other NATO nations to meet the penetration in underdeveloped lands of the U.S.S.R., as she offers to trade capital goods for surplus agricultural products, cotton, rubber and the like? In the discussions in the United States Senate there has been a tremendous change in the viewpoint of the legislators of that country. The consensus is that the danger of all-out war has greatly diminished in the last year and a half. Apparently that view is shared by the Minister of National Defence, as one reads between the lines. But how are we to meet the challenge of the U.S.S.R.?

Mention was made of the D.E.W. line, a most costly project; but many of those who gave evidence before the United States Senate committee, and they were people in authority, seemed to hold the view strongly that the D.E.W. line is almost obsolete before it is completely constructed. In his speech the other day the minister expressed the view that there was no defence, that Canada was in the line of fire and that there was no immediate defence against a potential atomic air war. Has there been any reassessment by Canada and the other NATO nations of the problem of whether a larger or smaller amount shall be devoted to defence and, if a smaller amount, whether larger amounts shall be allocated to defence in the form of aid to underdeveloped countries and with respect to trade matters, the purpose of which would be to meet the challenge of the U.S.S.R.?

We are left in the dark. We do not know. In order to obtain information we have to read the reports of the United States Senate committee or the House of Representatives committee. Why does the government not permit men with the knowledge that General Simonds has and the former adjutant general and men of that kind, who enjoyed the trust of the government for so long, to come before a committee and place the facts before the Canadian people? Are we receiving value for our expenditures? One does not have to have the knowledge gained by committees to conclude that in too large a measure there has been a wasteful disregard of the requirements of the people as a whole and waste of the moneys collected from the people through taxation.

A committee would permit either a revelation of conditions that should not exist, which conditions were set out in detail by the Leader of the Opposition when he referred to General Simonds' criticism, or, on the other hand, those criticisms would be found to be baseless. Personally I believe that with the removal of immediate potential threat of war it is going to be very difficult to maintain the union of the North Atlantic Treaty Organization. It is going to be equally difficult to maintain the willingness to sacrifice on the part of the peoples of free nations unless governments take them fully into their confidence and give them the picture as it is, the assurance that for every dollar that is spent there shall be an equivalent value in defence.

In connection with the economic offensive of the U.S.S.R. I asked a moment ago, what

is to be the attitude of Canada? Unsuccessful in breaking down the resistance of the free nations by force of arms, the U.S.S.R. now threatens to achieve that end by economic warfare everywhere in the world. Have the nations of NATO not met within recent days, and have they not redefined the respective proportions that the free nations should spend on defence as such, tanks, guns and the like, and what they should spend for humanitarian purposes? President Eisenhower, one of the architects of the preservation of our freedom in the last war, said just a few days prior to being hospitalized:

> Every dollar we put into this kind of thing, if it is intelligently spent, is in my mind in the long run worth any $5 we put just in sheer defence, because in the long run it is a constructive thing.

How are we going to meet the problem? Are we going to continue to expend amounts for defence such as we have spent in recent years in the face of an apparent change of front on the part of the U.S.S.R. that is equally dangerous to us? What are we doing to maintain good relations between Canada and the United States along the D.E.W. line, while at the same time assuring Canada's sovereignty in those areas where the facilities of the D.E.W. line are being constructed? Has the government given consideration to placing at each and every one of the stations along the D.E.W. line official representatives of Canada who will look after immigration, customs and other phases of civil government? However little they may be used, nonetheless the presence of Canadian officials there will give to these areas a realization that they are indeed under our sovereignty and will remove the danger of incidents that lead to disagreement which will otherwise be invited.

There are but a few questions that I would ask the minister to enlarge upon when he replies for, after reading the speech of the minister from beginning to end, one finds in it nothing to indicate that the government of Canada or the Department of National Defence is making plans to meet the changed world concept of the U.S.S.R. It is still maintaining that only by armed defences can freedom be preserved. That has been so, and it was so from 1945 to 1955. In no way suggesting a reduction in defence as such, I ask the minister whether or not Canada, in keeping with what the United States is now doing and what Britain herself is also laying plans to implement, intends to devote some portion—a percentage—of the amounts that are today being utilized for sheer defence in order to meet the world economic offensive of the U.S.S.R.

[Mr. Diefenbaker.]

Certainly that offensive has paid dividends to the U.S.S.R. in the last year and a half. It has met with a far greater degree of success than its military threat and bluster during the period from 1945 to 1955. Are we to have a static Maginot line type of mind in connection with our defences? Or are we in Canada, as one of the major countries within NATO, to join with the other countries of NATO in meeting this new challenge which is as dangerous to our existence as, and in some ways more dangerous than the military challenge of the early years following the second world war?

These are matters that could be looked into in detail in a committee. These are questions that are exercising the minds of the ordinary men and women of our country who on the other hand from day to day, over the radio and in the press, hear and read propaganda to the effect that the danger of war is passing. If this is so, and if there is a change of front on the part of the U.S.S.R., are we going to meet that challenge? Are we going to realize, before it is too late, that economic war as launched by the U.S.S.R., constitutes a great challenge to our existence and is having an amazing effect in Asia and in Africa? It is deluding many people into believing that for the economic security of the present, they are making a fair exchange in giving up their freedom for generations to come.

I have not dealt with the purely military side of defence. What I have tried to do, Mr. Chairman, is place before the minister something of the world situation that we face today when communism changes its front, when it makes a detour from military activities to economic action but at the same time does not change its destination, which is the destruction of freedom everywhere in the world. I ask the minister when he replies to answer this question. Has the Department of National Defence viewed the change of front on the part of the U.S.S.R., and to what extent does it intend to meet that new challenge which is as dangerous as, if not more dangerous than, the military forces that previously represented the policy of the U.S.S.R. in the achievement of the destruction of freedom?

Then I return to the point from which I started in connection with aid to Israel in the fight she is putting up to assure the preservation of her freedom. Have not the events of the last three months—revealing as they do Nasser in a new light—given added emphasis to the necessity of an early decision being made on the question of the export of fighting aircraft—not aggressive aircraft such as bombers and the like—to Israel so she will be in such a position, if aggression does

come for which she is in no way responsible, that at least we shall be assured that she will be able to maintain a defence, humble as it may be, against superior and threatening forces.

Mr. Nowlan: Mr. Chairman, I know the hon. member for Prince Albert would not expect me to follow him and speak about the general strategy of our country on the high plane on which he has spoken in the last few minutes. Certainly in the short time now left to the committee one would not venture to raise such a matter even if one possessed the ability so to do. Hence for the few minutes which remain this afternoon, perhaps I might refer to some matters in a more mundane sphere, but ones equally important to the people involved.

I have the honour and the good fortune to represent a constituency which has within it three of the larger defence bases in this country. One of them is H.M.C.S. *Cornwallis,* which I believe is the largest naval training base in the British commonwealth. Another one is Greenwood, which I am told is the largest operational air base in Canada. Another one is Aldershot, an army base which, although much smaller, has a distinguished record and a great history. The name is associated with Aldershot camp in Britain which so many veterans of the first war as well as of the second war visited and at which they took training while there. Under such circumstances I come in close contact with the men at these bases and also with the civilian employees who are employed in civilian work there.

I certainly join with the minister in all he said on Wednesday with respect to the calibre of the men we have in our armed forces. I think we can be very proud indeed of the type of men who are found in each one of the three services. Of the quality of their training, their character, their morale and all the rest of it, one cannot speak too highly. When it comes to the civilian employees, some question has been raised—and I think questions can be raised—as to the amount of money which is paid for civilian employees in the over-all picture. It seems to be an extremely large amount. In some places I think real criticism could be levelled at that situation. But when it comes to those working at the lower levels, Mr. Chairman—the day labourer, so-called, or the hourly-pay man—I think perhaps a word could be said on the other side of the picture.

I have here communications—I am not going to read them all to the committee—from various organizations at both H.M.C.S. *Cornwallis* and Greenwood. I also have communications from Aldershot, though there the number of men is not nearly so large. I realize that there is difficulty in the administration of this department on the part of the minister. I realize it must work in co-operation with the Department of Labour. The Department of Labour is supposed to make surveys to establish wage rates. Then those wage rates, having been established or having been approved by the Department of Labour, are recommended to the Department of National Defence; the Department of National Defence approves them and finally recommends them to treasury board, and after a long period of months some adjustment may be made. As a result there are many inconsistencies creeping into the picture, and I think some real unfairness.

I have a letter here, but I do not propose to read it. I could give it to the minister if he would like to see it, because in the letter the man tells me that he has cleared this with the civilian labour officer there, who has suggested that the matter be dealt with at a higher level because he cannot deal with it himself. This is a case of an hourly-pay man working at a rate which pays him $39.60 per week. He is in charge of the inspection, maintenance and operation of eight boilers in this base where he is working. The men who are firing the boilers, and really working under him, are civilians getting $51.92 per week. He does not suggest for a moment that they are getting paid too much but it does seem rather strange in this particular case that a man who is actually a technician and has these firemen assist him when he is effecting repairs, gets that take-home pay of $39.60 compared with $51.92 for the others. The others, as he says, get the benefit of sick leave, vacations with pay and so forth, none of which he receives.

In the mail this morning there was a notice from the civil service, which all of us get every day, advertising the same type of position at Gagetown, a mechanic to supervise, repair and maintain furnaces and boilers. The salary is set at $3,150 per year to $3,600. It does seem to me there is an inconsistency there. Apparently this man has tried, the civilian boss has tried, without results. Whenever these men write me I warn them that I dare not use their names because they may get into trouble. Apparently ministers do not like these people writing to politicians, and perhaps rightly so. In this case I have been told I could use his name. That is typical of only one individual.

I have a petition here signed by the electricians complaining that they have been waiting now for a year and a half to have their wages raised. It is true that six months ago they received an increase of 10 cents an hour, but the rates are ridiculously low in

comparison with the regular wages being paid electricians, even in that area. At one time the Department of Labour took a very small area, just the valley itself where there were very few tradesmen, mechanics or electricians, so the base was very small. Now it has been extended to some extent and they take some of the other towns within the province. There again, you get this objection from these men who say they have submitted briefs over the last two or three years showing the rates of wages prevailing in the same industry in the same area. Every time something happens. As I said before, we finally succeeded in getting them an increase of 10 cents an hour six months ago, but that does not go very far.

In so far as the day labourers are concerned, the situation is rather grim. I have a resolution, a copy of which I presume was sent to the minister, as the letter says. I shall just read one paragraph from it to show the feelings of some of these men:

> We, the labourers of *Cornwallis* naval base, are 100 per cent veterans.

I think that is a slight exaggeration, because I sometimes get letters from people who are applying for positions there who say they are veterans and they cannot get on but there are non-veterans employed. There is, therefore, at least an element of exaggeration in this first sentence, and I think there may be an exaggeration in the second sentence. This shows the extent of the bitterness that is creeping in.

> We are not getting used as human beings. Some of us labourers are renting homes; some are trying to buy their homes. We are married men with families trying to send our children to school. The ones responsible for this know very well that they cannot clothe, feed and keep up a comfortable home for their families on a weekly pay of $32.22—our take home pay.

That is for day labourers, the lowest class of pay at *Cornwallis* naval base. You get inconsistencies such as that, Mr. Chairman, and the men included in that day labour base are sometimes transferred to work with civil servants. As I said, they do not complain about the pay the civil servant gets, but they do feel that their own rate of pay should be raised.

I think it is time for the minister to take up very seriously with the Department of Labour the matter of a resurvey of the pay for hourly-paid men, and I presume the women. There are women employed in the canteens; some of them work as domestics, waitresses and so forth in the dining halls at both *Cornwallis* and Greenwood. This situation is one which causes friction and does not tend to improve the morale in any organization. I think the minister, if he asks for an investigation by the Department of Labour or for reports from his own representatives, might well find that some of these complaints are legitimate and that a slight amelioration of them could be made without any increase in cost.

There are other places where savings could be made. If time permitted I could point them out. I might point out one in the last minute available to me. I have seen bills of lading for kegs of nails which have been shipped 3,000 miles across this country. These ordinary nails have been shipped to a base in Nova Scotia from Alberta, and the freight transportation costs shown in the bill of lading were away beyond what one would have to pay for these nails at a local store in the community. I have a dozen documents of that kind showing that apparently there is a certain degree of inefficiency and a high degree of waste in expenditures such as that.

It is for that reason some of these men who are on prevailing rates are so angry. They see money being wasted on the one hand and they are being paid a pittance on the other. They feel that something should be said on their behalf, and that is what I am trying to do in the few minutes that are available to me.

May I call it six o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Green: Could we have the business for Monday?

Mr. Harris: Mr. Speaker, I announced last night that we would have a supply motion on Monday.

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

ANSWER TO QUESTION

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

BANK LOANS TO FARMERS

Question No. 156—**Mr. Holowach:**

Question

1. Have any loans been made to date under the proposed legislation to guarantee bank loans to farmers to meet financial difficulties arising from inability to deliver grain?
2. If so, how many farmers have applied for loans to January 31, 1956?
3. What was the total amount of bank loans applied for under the provisions of the legislation?
4. What was the total amount granted?
5. How many individual loans were granted?
6. How many individual cases were refused loans?
7. Are any applications to January 31 still pending?
8. How many of these loans were granted in: (a) Alberta; (b) Saskatchewan; (c) Manitoba; (d) other provinces?
9. What was the total amount of loans granted in each province?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

1. Yes.

2, 3, 6, and 7. As applications are made to chartered banks, the government has no record of the number of loans applied for, the amount applied for, the number of applications refused, or the number pending.

4. $7,323,413.32.

5. 9,292.

8. (a) Alberta, 2,203; (b) Saskatchewan, 6,609; (c) Manitoba, 451; (d) other provinces, 29.

9. (a) Alberta, $1,767,157.56; (b) Saskatchewan, $5,216,452.93; (c) Manitoba, $317,-839.11; (d) other provinces, $21,963.72.

67509—337½

HOUSE OF COMMONS

Monday, June 25, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. ZAPLITNY—REPORTS OF WHEAT BOARD AND GRAIN COMMISSION

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I rise on a question of privilege. On May 10 last I addressed a question to the Minister of Trade and Commerce (Mr. Howe) as follows:

When does the minister expect to have the reports of the board of grain commissioners and the wheat board before the committee on agriculture and colonization?

In response to my question the Minister of Trade and Commerce replied as follows:

The reports of the board of grain commissioners and the wheat board are filed with this house and have been referred to the committee on agriculture and colonization.

I find that on Friday last the hon. member for Peace River (Mr. Low) asked a similar question of the minister and received a similar reply. On conferring with the chairman of that committee I find these reports have not been referred to that committee. In view of that I suggest that either the Minister of Trade and Commerce or the chairman of the committee owes an explanation to this house.

Hon. Robert H. Winters (for the Minister of Trade and Commerce): Mr. Speaker, I intend to move when we reach motions that these reports be referred to the standing committee on agriculture and colonization.

AGRICULTURE

REFERENCE OF WHEAT BOARD AND GRAIN COMMISSION REPORTS TO STANDING COMMITTEE

Hon. Robert H. Winters (for the Minister of Trade and Commerce): Mr. Speaker, I move that the following reports which have already been tabled in the house be referred to the standing committee on agriculture and colonization. They are the report on the Canadian wheat board for the crop year ending July 31, 1955, the report for 1955 on the board of grain commissioners for Canada and a supplementary report of the Canadian wheat board on the 1954-55 pool account—wheat.

Motion agreed to.

TAXATION

MEASURE TO PROVIDE FOR AGREEMENTS WITH PROVINCES

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide that the Minister of Finance may pay to a province, out of the consolidated revenue fund, in respect of any fiscal year in the period commencing on the 1st day of April, 1957, and ending on the 31st day of March, 1962

(a) a tax equalization payment with respect to individual and corporation income taxes and succession duties;

(b) a provincial revenue stabilization payment with respect to such taxes; and

(c) a tax rental payment in accordance with a tax rental agreement that may be entered into by any province as an alternative to levying such taxes on its own behalf;

and also to authorize tax collection agreements with the governments of the provinces.

Motion agreed to.

HOUSING

ALLEGED REDUCTION IN HOUSING STARTS THIS YEAR

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Public Works. Could he explain to the house the reasons for the purported 20 per cent reduction in housing starts for the first 23 weeks of this year, as reported by the Central Mortgage and Housing Corporation, from 28,258 in the first 23 weeks of last year to 22,618 in the corresponding period of this year?

Hon. Robert H. Winters (Minister of Public Works): Since the hon. member has asked that question, perhaps I should make a brief statement about housing, particularly having in mind the telegrams I have received recently which have alleged particularly two points about the house building program: first, that it is being seriously retarded because of the unavailability of mortgage money; and, second, that as a result large scale unemployment will develop. I think I can demonstrate to hon. members that both these statements reflect undue pessimism.

In centres of 5,000 population and over, as I indicated to hon. members on June 13, housing starts for the first five months of the

year 1956 exceeded starts during the first five months of the year 1955. Up to the end of May this year, 30,687 units had been started, as against 29,669 last year. Completions at 35,322 exceeded those of the same period last year, which numbered 33,064.

As of the end of May this year there were in these centres 48,206 housing units under construction. Last year at the same time the number was 47,445. Hon. members will recall that in the year 1955 more houses were started and more were completed than in any previous year in our history.

I refer to centres of 5,000 population and over because it is in these centres that the dominion bureau of statistics and Central Mortgage and Housing Corporation make complete enumerations.

As for the suggestion that significant unemployment will follow any likely downturn in housing, I would refer to the recent survey by the Department of Labour of labour conditions in Canada. At the present time there are more people employed than ever before, and fewer people without jobs. These statements have reference to the over-all labour force. The situation is that the construction industry is experiencing a shortage of manpower, and we are only now coming into the period when the demand for labour is at its peak. Thus anyone who might be laid off from house building would be apt without difficulty to find employment in other parts of the construction industry, where activity is at a record level.

While I believe that the complaints give an erroneous impression, I realize that difficulties are being experienced by some builders in obtaining mortgage funds. My colleague, the Minister of Finance, is in a good position to tell hon. members that the economy as a whole is moving at such a vigorous pace that there is keen competition for material, labour and financing. Some builders in the house building industry are feeling this competition, and particularly is this true in respect of those who have just recently come into the field. In no industry is it possible for everybody to obtain all the credit desired at all times. Government guaranteed loans under the N.H.A. are not available as of right to everybody who asks for them. It is a matter of the banks and lending institutions awarding credit on the same selective basis as applies for other industrial and commercial activities.

In the first quarter of 1956 expenditures on non-residential construction were 27 per cent higher than in the first quarter of 1955. Expenditures on new residential construction were up 7 per cent in the same period. These figures are tangible evidence of the increasing pressure of demand on the resources of the construction industry and the increasing competition which housing is encountering from other industries and other parts of the construction industry for materials, labour and financing. Hon. members will recall that in order to maintain the position of housing in proper perspective in relation to other investment opportunities we increased the interest rate on residential mortgages in March from 5¼ to 5½ per cent.

However, because of this competition from other industries and other parts of the construction industry, home building activity may be moderately retarded in the second half of the year. But the extent of this must be kept in perspective. In the first quarter of this year housing starts were at an annual rate of nearly 134,000 units. In the second quarter they will be an annual rate in excess of 120,000 units. Starts may drop below this rate in the third quarter, but for the year as a whole we are likely to have more starts than in any year, except the record year of 1955, and we will probably have more completions than in any year, including 1955. This means that the volume of labour and building materials going into new house building in the year 1956 will be very little different from the record house building year of 1955. Last year the number of families in Canada increased by 78,900, while the number of new houses completed amounted to 127,500. This year net family formation, which is a pretty good index of housing demands, is running at about the same rate as last year, while housing completions are running at a rate higher than last year. We are therefore increasing our housing stock at a much greater rate than the number of families in Canada is increasing.

To sum up, house building for 1956 will be at a high level. It will be little different from last year's record program and, in fact, completions will probably be higher and will reach a new record. Over-all employment in house building will be about the same as last year, but there will doubtless be some builders who will continue to experience difficulties in obtaining mortgage credit.

As I previously stated, this subject is kept under constant study both as to the present program and what is likely to occur in the next few months. In the light of activity in the housing field and in other parts of the construction industry, it does not appear that any special measures are desirable at this time. Should conditions change, the government will be prepared to take whatever measures are warranted by the changed conditions.

Mr. Claude Ellis (Regina City): Might I ask the minister whether he has received a communication from the city council of Regina regarding the falling off of construction in that city due to government policy? I may say to the minister that the mayor and council of the city of Regina do not share the minister's confidence or optimism in this particular case.

Mr. Winters: I am not sure that I have seen a communication from the city council. I have received communications from Regina and I think included in them there was a telegram from the premier of Saskatchewan which, if I remember correctly, was directed to the Prime Minister. It is largely the same telegram that has been sent from some other areas in Canada and it does not alter in any respect the statement I have just made.

Mr. Ellis: Would the minister give the reason why there is a falling off in construction in those areas of the country to which he has just referred, including the city of Regina? Would he give an explanation?

Mr. Winters: I just gave a detailed explanation, and I stated therein that the housing program this year will be a very substantial one, as my hon. friend will learn in due course.

Mr. J. H. Ferguson (Simcoe North): Is the minister aware that it is not only the large cities which are growing and need houses? Smaller, rapidly growing parts of Canada, such as the part I come from, are affected—

Some hon. Members: Question.

Mr. Ferguson: The question is this. When can these people expect money at a reasonable rate of interest and in sufficient quantity to build roofs over their heads? That is what I am interested in. This running of the matter by rule of thumb is not the correct thing to do. There are people who need roofs over their heads.

Mr. Speaker: Does the hon. member for Kamloops wish to pursue the same subject?

Mr. Fulton: No.

INQUIRY FOR RETURN

OFFICER TRAINING PLANS

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to ask the Minister of National Defence a question. Can the minister answer question No. 368 which was placed on the order paper nearly three months ago, namely on March 28?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I shall have to investigate with respect to the hon. member's question. I was not aware of the fact that it had not been answered.

DOMINION-PROVINCIAL RELATIONS

PAYMENTS TO PROVINCES UNDER TAX COLLECTION AGREEMENTS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Finance a question with relation to the resolution or rather the motion which he moved today. Can the minister give the house the figure which the government sets as the annual obligation on the dominion treasury which would result from the adoption of the resolution following upon the motion he made today?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the resolution relates to future years. One can only make an estimate of the amount based on a projection of the income from various taxes at that time. If my hon. friend desires it, I will, in moving the resolution, put that information on the record but I would not want at this time to mention a specific figure for any one of the three payments that are concerned.

Mr. Fulton: Then we may anticipate that this motion will be debated without closure?

Some hon. Members: Oh, oh.

SHIPPING

SUPPLY SHIP "C. D. HOWE"—REQUEST FOR REPORT ON FIRE

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, could we have a report on the fire which took place on the northern supply ship *C. D. Howe* in Montreal over the week end; in particular the cause of the fire, and to what extent it will delay her departure for the north?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I will see that an answer is given.

GRAIN

WESTERN FEED GRAIN—REQUEST FOR INCREASED FREIGHT RATE ASSISTANCE

On the orders of the day:

Mr. G. T. Purdy (Colchester-Hants): I should like to direct two questions to the Minister of Agriculture, whom I am glad to see in his seat again and able to report

"mission partially accomplished". My first question is this. Will the government take under consideration increasing the freight rate assistance on western feed grain to the Atlantic provinces in an amount equal to any freight rate increases? It will be noted that I refer only to the Atlantic provinces because they will not benefit from the St. Lawrence seaway and the pipe-line development.

My second question is this. Having regard to the motion of the Minister of Public Works (Mr. Winters), who I believe is acting minister of agriculture, will an opportunity be given to general agriculture to present their problems before the committee on agriculture and colonization?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I just arrived back this morning. Naturally I have not had time to go over *Hansard* but I shall look up the references that were made and answer either tomorrow or the next day.

FINANCE

INTEREST RATES—INTERVIEW WITH BANKERS' ASSOCIATION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Finance and to ask him whether he would comment on the dispatch in the New York *Times* yesterday to the effect that in the last few months there has been a great increase in the amount of United States investment in Canadian provinces, cities and industries, the major reason for which is that the interest rate in the United States is lower and the increase of interest rates in that country has been less drastic than in Canada. Would the minister say whether or not consideration is being given to reducing interest rates in Canada to U.S. levels so as to make it possible for Canadians to borrow in Canada for the needs of expanding industries and of provinces and cities? Would he tell the house the result of the interview he had the other day regarding interest rates with the representatives of the bankers' association and other financial interests to which he made an allusion a few days ago?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, that is a rather long question. I will prepare an answer and give it either on the orders of the day at a later time or on my estimates, whichever suits the hon. member.

[Mr. Purdy.]

Mr. Diefenbaker: Then, Mr. Speaker, I believe I could ask this question. Is the government giving any consideration to having the Bank of Canada reduce the high rate of interest that has been in effect now for several weeks, in order to bring about a better opportunity for investment in Canada and also an expansion of housing?

Mr. Harris: I think I can answer that by saying this. In so far as the United States and Canadian rates are concerned, they have not altered since, I think, the first or second week of April. At that time the discount rate at the Bank of Canada was raised to 3 per cent, and a few days later the discount rate in the United States was raised to $2\frac{3}{4}$ per cent in New York and 3 per cent in Minnesota and California. These rates have remained constant since.

Now, my recollection is, in answer generally to the earlier questions, that the cost of money or the interest rate on borrowings in the United States was lower relatively than the Canadian rate earlier in the year, but at the moment the margin has narrowed somewhat and the difference now, the going cost on medium-term money, is ·4 or ·5 on the dollar.

Mr. Diefenbaker: Has that made all the difference in investment?

SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of supply.

REQUEST FOR ELECTION—SENATE REFORM

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, on a supply motion it is particularly appropriate at this time that I should refer to the discussions that have already taken place here and their effect upon our present position in this house. I think it is the correct time to express our belief that this government has lost any moral right to govern this country. I know that this statement has been made, but I intend to emphasize, by reference to further material, the extent to which that moral breakdown has gone and the extent to which precedent has been abandoned.

We all know how precedents were broken in this house in a debate which took place not long ago. There was some discussion on Friday last about whether or not the Minister of Trade and Commerce (Mr. Howe) had used the words in a television interview, "We violated the rules". There is no question that those words were used. I do not think, however, that the use of those words is so particularly open to criticism. In fact, it is

the frankest statement that has been made by the Minister of Trade and Commerce since this debate began. What is surprising is not that he made the statement but rather that there should be any question about the fact that he made the statement. What is important is not that the record available from the C.B.C. showed that he made the statement; what is important is the denial of the statement. The denial of the statement is consistent with the attitude of this government towards parliament.

It would have been quite natural, and quite a reasonable thing, for the minister to have said, "Well in an interview of that kind, without a text, it is easy for a person to use words which afterwards should be corrected. It is true that I did say he violated the rules, but I did not intend to say that." Nevertheless, I would think that in most interviews mistakes of that kind might be made if that was not what he intended to say. Now, if the minister had said that, that would have been a perfectly reasonable explanation. What is important is the attitude of the minister in regard to that statement. He has set himself up as the infallible director of the business affairs of this house. He has, in fact, set himself up as a virtual dictator. He is not prepared to admit that even in error he correctly stated the facts, and therefore he must repudiate what it is quite clear he said.

I am not going to say more except to repeat that the important thing is not that he did say the words; the important thing is that having said them he denied to this house that he did. It is only in keeping with many of the things that have happened. But I want to speak particularly of what has happened, not only to the House of Commons during those tragic weeks, but also what has happened to that other place which is also part of our parliamentary system. What a change has occurred from the original concept of the other place. How little it resembles in its function the purpose it was intended to serve by those who decided at Quebec when they were drafting the resolutions which were embodied in the British North America Act that we should have a second parliamentary body appointed and not elected. A high purpose was envisaged for that other place.

The fathers of confederation who met at Quebec in 1864 had an overwhelming feeling in favour of a second chamber. The possibility of a single chamber parliament was considered but, with the background of our own history, a considerable majority of those who attended that conference decided that they wanted the two-chamber system. They had, of course, the experience of a second chamber under two systems in this country. Under the old constitution of the united provinces there was a legislative council appointed by the crown. Then, there were the reforms of 1856 and the upper house of the legislature was made elective. Its members were chosen by direct suffrage of the people. They were entitled to serve for a term of eight years instead of a four-year term set for the members of the assembly, which was the lower house. The conditions of the franchise were the same for both houses. However, the members of the upper house represented much larger constituencies, as their numbers were smaller. At that time, strangely enough, when we had adopted an elective system, the constitution of the United States provided for the appointment of senators by state legislatures. Two were appointed from each state. That was not changed in the United States until the seventeenth amendment was adopted in 1913 to provide for the popular election of the senators to the upper body.

The system in the United States was the very opposite to what we had prior to confederation following the reforms I have spoken of. With those two systems before them the men who had seen both systems in operation decided they wanted an appointed body. In that they were undoubtedly influenced very greatly by the similarity of our parliamentary system to that at Westminster where the second and upper house, the House of Lords, was of course an appointed body. That has remained unchanged to the present day.

We have the reports of the opinions expressed by the men who made this important decision prior to confederation. The Senate, in the minds of the framers of confederation, was to consist not of partisans but of men who would deal in a judicial manner with the problems before them. Its members were to be selected from those who in one way or another had brought dignity or distinction to the public life of the country. They were to be chosen by the representatives of the sovereign for their acknowledged achievements or for their moral and intellectual excellence. They were to be placed in this position which was to keep them above the ordinary influences of party strife. It was thought at that time by the men who drafted our constitution that this would invest the members of the upper house with a moral authority which would make their decisions more acceptable when they became a body of review to consider what had taken place in the House of Commons. It was thought that the appointment in this way would detach

them from those considerations which might affect their judgment in any way from a partisan point of view.

In order to better secure the impartiality and independence of those appointed, the appointees were to be appointed for life and not for a term of years so that nothing might influence the independence of their expression of opinion and their judgment. Such an upper house would in the first place exercise immense influence upon public opinion. That was the dream of those who drafted the constitution. It was also thought that they would exercise influence on any rash decisions made by the lower house under the pressure of urgent demand or partisan debate. In every discussion the power of the upper house to review the decisions of the lower house and the likelihood and certainty that they would give careful review to the decisions of the lower house was constantly in mind.

These people who were to be appointed to the upper house and were to occupy this position of dignity and independence were to have a freedom from any influence that might spring from their dependence on re-election. Never were high expectations of that kind more completely broken and shattered than they were within these past weeks.

Reform of the upper house has been demanded for generations. Every other parliamentary body or legislative body of importance in the world has carried out sweeping reforms of its upper house in the time that ours has been in existence. It is only in the upper house of Canada that we go on without any attempt to bring the upper house into harmony with the aspirations of the people in this modern and vital democracy of ours. Nevertheless, it is not in recent years alone that the demand for reform has been emphatic and urgent. For reasons which perhaps are perfectly natural, it was the Liberal party which first began to present demands for reform of the upper house. We find that Sir Oliver Mowat, a great and distinguished member of the Liberal party of those days, presented this resolution to the Liberal party convention in Ottawa as far back as 1893. Most hon. members of this house had not yet been born at that time. This is the resolution that was adopted:

> The present constitution of the Senate is inconsistent with the federal principle in our system of government and is in other respects ineffective as it makes the Senate independent of the people and uncontrolled by the public opinion of the country and should be so amended as to bring it into harmony with the principles of popular government.

Then again at the same convention, and speaking to this resolution, we find these words spoken by another very distinguished member of the Liberal party, Sir Richard Cartwright. These were his words:

> I think, sir, we all agree that the constitution of the Senate as it at present exists is a blot upon popular government and free institutions.

Well, Mr. Speaker, if those words had any meaning whatever in 1893 they certainly have meaning today because the upper house as it at present exists is precisely the same as the upper house was at that time except for the people who constitute the membership of that second chamber.

I am dealing with this subject at greater length today because I raised it briefly on Friday last and urged the Prime Minister (Mr. St. Laurent) before he left for the prime ministers' conference to initiate in consultation with the provinces a proper inquiry which would lead to a reform of the second chamber in keeping with the aspirations of our people for a democratic structure which has been brought into consonance with the development of industrial, economic, social and other conditions in this country. The Prime Minister made no response one way or the other to that request. Unfortunately, that is all too often the way in which proposals are dealt with when they are presented to this government. I am mentioning that now to point out that, when I raise this today, it might not have been necessary to go into some of the detailed remarks which I shall make had the Prime Minister acceded to what seems to be a perfectly reasonable request.

May I say at the outset, in pressing our demand for consideration of this subject, that I am not for a moment suggesting that the unfortunate features of our upper house, in so far as its composition is concerned, are not something in which both the major parties in this country have shared some responsibility over the years that have passed. The time is long overdue, however, for the implementation of the promises made by this government—and they were made by this government—to consider Senate reform and to take up with the provinces, in a manner which would lead to some positive results, this extremely important question.

On only one occasion has this matter been brought up in a comprehensive manner before a conference at which the federal and provincial governments were represented, and that was at the conference of 1927. At that time Mr. Lapointe, who was minister of justice, laid before the conference a summary of proposals which had been made by different people for Senate reform. He did so without any suggestion that he sought approval of any particular type of reform. However, these were the points he put before the conference for consideration, as reported in what

was described as "A Survey of Dominion-Provincial Conference, 1906 to 1941", by Darrell Thomas Braidwood. I quote this from page 32 of the survey:

1. Abolition of the Senate,
2. Adoption of the elective principle,
3. A combination of both the appointive and elective principles,
4. A fixed and limited term of office,
5. An age limit with possible superannuation,
6. A bringing of relations between the Canadian upper and lower chambers into accord with the relations between the House of Commons and the House of Lords in Great Britain—with particular reference to the powers of the upper house in vetoing or amending money or general public bills.

That quotation indicated the breadth of the subject matter placed before the conference. Each of these proposals was discussed but it was not followed through, and no results flowed from that discussion, nor was there any resumed examination of the proposals.

I point out that this summary made by Mr. Lapointe in 1927 did review most of the proposals which have been made for the reform of the upper house. Since then still further proposals have been made. It seems to me that it would be neither desirable nor in keeping with the purpose of the upper house to lay down an arbitrary formula which must from necessity be followed if there is to be reform. I say that because our upper house in this country had a dual purpose. Its first purpose was, of course, the ordinary review responsibility of an upper house, which corresponds to that of other upper houses under a similar parliamentary system. The second, and in many ways the most important from the point of view of those who were discussing the possibility of confederation, was that an upper house in Canada would protect the constitutional rights of the provinces under the constitution which they were about to adopt.

I think it is quite certain that there would not have been anything in the nature of the confederation that we know unless there had been an upper house to assure the protection that it was intended to give to the provinces joining in confederation. The maritime provinces were urgent and emphatic in their demand that there be an upper house which would protect their rights. The province of Quebec wanted an upper house to assure the protection of its constitutional rights, no matter what might happen at any time in the House of Commons. Ontario as well looked to the upper house to protect its own traditional rights. All the provinces looked to the upper house as the guardian of their heritage, which they were preserving under their provincial legislatures but placing in substantial measure in the keeping of the federal parliament.

The very arguments that were made in support of a second chamber all indicated the belief that this independent body would at all times carefully consider and carefully review what took place in the lower house and particularly where there were matters of public importance, constitutional or otherwise. For that reason we must look with some very real concern at what has taken place recently here in our own parliament.

I indicated my belief that the Prime Minister should initiate appropriate steps, and I referred briefly to what had occurred in the upper house. I wish to do so now in more detail. I cannot read the debates which took place there, but under citation 293, appearing on page 95 of Beauchesne's second edition, we find this statement, which I believe is accepted without question. It indicates that there are certain things which a member may not refer to. It indicates that a member may not refer to any debate in the Senate, but then I quote these words from citation 293 (b):

. . . but he may refer to the official printed records of the upper house though they have not been formally communicated to the lower house.

Therefore I refer to those printed records and simply ask hon. members to bear in mind what those records indicate in regard to what took place in the upper house when a bill, which has been described by the government as one of the most important ever to come before parliament, was in fact being referred to the upper house. In the minutes of the proceedings of the Senate of Canada for Tuesday, June 5, 1956, as recorded at pages 486 and 487, I read the following:

Pursuant to notice of motion—

The Honourable Senator Macdonald, P.C., moved, seconded by the Honourable Senator Beaubien—

That for the balance of the present session, rules 23, 24 and 63 be suspended in so far as they relate to public bills.

After debate, and—

The question being put on the said motion, it was—

Resolved in the affirmative, on division, and—

Ordered accordingly.

Then I refer to the minutes of the proceedings of the Senate of Canada for Wednesday, June 6, 1956, and I read from page 490:

A message was brought from the House of Commons by their clerk with a bill (298), intituled: "An act to establish the Northern Ontario Pipe Line Crown Corporation", to which they desire the concurrence of the Senate.

The said bill was read the first time.

Moved by the Honourable Senator Macdonald, P.C., seconded by the Honourable Senator Godbout, that the said bill be placed on the orders of the day for a second reading later this day.

After debate, and—

The question being put on the said motion, it was—

Resolved in the affirmative, and—

Ordered accordingly.

Then, as recorded on the next page, page 491, I read the following having to do with the same day:

Pursuant to the order of the day, the Honourable Senator Macdonald, P.C., moved, seconded by the Honourable Senator Godbout, that the bill (298), intituled: "An act to establish the Northern Ontario Pipe Line Crown Corporation", be now read the second time.

After debate—

It being six o'clock, the Honourable the Speaker left the chair to resume the same at eight o'clock.

The Senate resumed. 8:00 p.m.

The debate continuing—

After further debate, and—

The question being put on the said motion, it was—

Resolved in the affirmative, on division.

The said bill was then read the second time, on division.

It was moved by the Honourable Senator Macdonald, P.C., seconded by the Honourable Senator Godbout, that the said bill be committed to a committee of the whole presently.

The question being put on the said motion, it was—

Resolved in the affirmative, and—

Ordered accordingly.

The Senate was, accordingly, adjourned during pleasure and put into a committee of the whole on the said bill.

(In the committee)

The Honourable Senator Golding, chairman.

Title read and postponed.

Clause 1 was read and agreed to.

Clause 2 was read and agreed to.

Clause 3 was read and agreed to.

Clause 4 was read and agreed to.

Clause 5 was read and agreed to.

Clause 6 was read and agreed to.

Clause 7 was read and agreed to.

Title again read and agreed to.

After some time, the Senate resumed, and—

The Honourable Senator Golding, from the said committee, reported that they had examined the said bill and had directed him to report the same to the Senate, without amendment.

The said report was adopted.

On motion of the Honourable Senator Macdonald, P.C., seconded by the Honourable Senator Godbout, it was—

Ordered, that the said bill be placed on the orders of the day for a third reading tomorrow.

Then, on Thursday, June 7, 1956, the day that had been set by the government as its deadline date, we find the following at page 494 of the minutes of the proceedings of the Senate of Canada:

Prayers.

Pursuant to the order of the day, the Honourable Senator Macdonald, P.C., moved, seconded by the Honourable Senator Godbout, that the bill (298), intituled: "An act to establish Northern Ontario Pipe Line Crown Corporation", be now read the third time.

After debate, and—

The question being put on the said motion,

The Senate divided and the names being called, they were taken down . . .

I shall not read the names as they were taken down. The house divided on the measure in the way in which the members are recorded according to the political affiliations. I then continue reading:

So it was resolved in the affirmative.

The said bill was then read the third time.

The question was put whether this bill shall pass.

It was resolved in the affirmative.

Ordered, that a message be sent to the House of Commons to acquaint that house that the Senate have passed this bill, without amendment.

Mr. Coldwell: What time did the Senate adjourn?

Mr. Drew: The Senate adjourned at 11.45 a.m. Thus we find that this measure was dealt with in a matter of about ten hours. It is little wonder that about two days later an editorial appeared in the Toronto *Globe and Mail* headed *"Sic Transit . . ." "Sic transit gloria"* is indeed an appropriate expression. Such glory, such tradition as remained, had indeed departed on that occasion. What had happened then was not merely the incredible expedition with which the Senate had moved under this unique form of closure. It was the fact that a minister of the crown, who sits as a member of the government, had placed the upper house in a condition of subservience to the government. I think it is appropriate that I should read what was written about this event, not for the purpose of taking issue with what took place there but so that we may know what the impact of this event has been on the minds of the people of Canada.

After all, at a time when we are considering ways in which democracy must be strengthened, it is vitally important that we should not ignore representative opinion which may be taken as indicating the attitude of a substantial part of the public to any function of this parliament of ours. On June 8, the day after this matter had been disposed of, I find that the Toronto *Star* had an editorial under the heading, "What Purpose Does it Serve?" The opening paragraph reads as follows:

The Senate is being criticized for taking only ten hours to consider the controversial pipe line bill. Ten hours admittedly did not permit anything but the most cursory examination of the bill.

Then I would read the closing paragraph of that editorial:

If, for the reason cited, the Senate cannot take more than a superficial glance at legislation as important as the pipe line bill, what real purpose does it serve? The answer is little if any.

I am not seeking to identify myself, Mr. Speaker, with the opinion of one newspaper or another in regard to the statements that they may make. I am simply seeking to indicate to hon. members of this house what has happened with respect to the attitude of newspapers in Canada towards a part of the bicameral system under which we take our

responsibilities as members of parliament. In the Toronto *Telegram* for June 7, the same day as that adjournment took place, there was an editorial under the heading, "The Impotent Senate". I read the first sentence in that editorial:

> A meek and obedient Senate has suspended its rules and passed the government's pipe line measure in undignified and subservient haste.

Then I refer to the editorial in the *Globe and Mail* on June 9 to which I have already referred under the heading "Sic Transit..." I shall read two paragraphs from that editorial:

> The Senate is supposed to be detached from the hurly-burly of political seeking and striving. In that detachment, it is supposed to look calmly, carefully at legislation sent on to it by the Commons; having power, if it wishes, to amend that legislation or to reject it completely. The Senate did not reject the sinister pipe line bill, nor amend it by one iota. It did not even take the time to have a good look at it, but rushed the bill through in a day and a half, so as to meet the deadline imposed on it.

Then I read the last paragraph of that editorial:

> *Sic transit gloria.* Perhaps it is true, as some say, that the Senate no longer serves any useful function in Canadian life. Perhaps it does not even provide, as some say, security for deserving politicians in their old age. The Senate conducted itself this week as though it were anything but secure; as though, like the government majority in the House of Commons, it could only survive by licking the boots of its master.

Mr. Speaker, I wish just to read an editorial which appeared in the Calgary *Herald*, a newspaper which has been regarded as being very independent in the expression of its opinions. That newspaper is also situated in a province where there was reason for some particular interest in this issue. I should like to read that editorial because, even in that province where there could be many reasons for perhaps looking with more favour than elsewhere on some of the steps that were taken to expedite proceedings, we find this reflection of the impact on public opinion of what took place in the upper house at the bidding of one of the members of this government. The heading of that editorial is "How did the Senate serve Canada?" and it reads as follows:

> The pipe line deal is now the law of the land. It became law right on schedule, June 7.
>
> The schedule was maintained in the House of Commons by use of a battering-ram operated by the Rt. Hon. C. D. Howe, and Prime Minister St. Laurent.
>
> And it was speeded on its way to royal assent by a pusillanimous performance by the Senate of Canada.
>
> It is of this last phase that we propose to speak.
>
> The House of Commons has to its credit, at least, the fact that a valiant fight was put up, a fight to the finish for the traditional rights of parliament and for the good of the Canadian people.
>
> The Senate has nothing whatsoever to its credit.
>
> This vaunted Other Place of sober second thought, this guardian against tyranny and improvidence, this citadel of life-appointment independence, what did it do? It submitted to a gag to which it did not have to submit. Then it went tiredly through a few motions, as though it were really alive. And then, in unashamed subservience to its Liberal masters, it doffed its cap and did the government's bidding voluntarily, right on schedule.
>
> We say these things in bitter sorrow, for on repeated occasions we have come to the defence of the Senate as a valuable institution when others, many others, were baying for its abolition. And if the Senate of Canada conducted itself as tradition demands, we would gladly defend it again. The loss of a proper Senate would be a sore blow, a dangerous blow, to our system of parliamentary democracy. The loss of a Senate which bowed and scraped as this one did this week would be no loss at all. It is a mockery, a sham, an expensive luxury, far too expensive to keep around for minor chores like granting divorces.
>
> Can anybody point to one single useful thing the Senate of Canada did in this pipe line affair, the most controversial, perhaps the most significant decision this country has had to make in modern history? Can anybody point out one constructive thing it did? Did it probe, did it query, did it demand that it be satisfied that a great blunder was not being made? Did it appear to be protecting any Canadian against anything? The answer in all cases is a melancholy "No".
>
> It is understandable that Liberals in the Commons might have been reluctant, for obvious reasons, to step out of line no matter what their private opinions.
>
> No such practical pressures bear on any Senator. But still, with nothing to fear, unreachable by political vengeance, the Liberals in the Senate behaved like sheep.
>
> They ought to be ashamed. Meantime, we are ashamed for them.

Mr. Speaker, that is the impact this sorrowful event had on the thinking of one of the most independent newspapers in Canada. I could read a number of other editorials from other papers as well as articles which have been written which leave no uncertainty as to the shameful destruction of respect which has taken place at the instance of a member of this government who was able to persuade the subservient members of that Senate to follow the will of the government in a new form of blanket closure which disposed of any pretence that this is any longer a serious body of sober second thought. In this house opinions differ as to the desirability of continuing the Senate. I know that, in great sincerity, there are hon. members in this house—and they are not of one party alone—who believe that the time has come when the Senate might be abolished. I do not share that opinion. I believe that it is the opinion of the majority, if not all, of the members of the party to which I belong that there are strong constitutional reasons, as well as reasons of tradition and sentiment, why the second chamber

should be preserved but in a form in which it will be permitted to perform the duties that were contemplated by those who brought it into being in 1867. Surely it is not reflecting upon any hon. member of that other place to say that the upper house needs drastic reform if their attendance there is to be justified. Let no hon. member in that other place who declares his allegiance to the Liberal party suggest that there is anything partisan in demanding that in the interests of respect for our parliamentary system there be reform. After all, who could make stronger statements on this subject than Sir Richard Cartwright who, in a very pithy sentence, said this:

> I think, Sir, we all agree that the constitution of the Senate, as it at present exists, is a blot upon popular government and free institutions.

That was the other place in the same form as it now is, without reform. If those words were not too strong then, still stronger words could be used today. Perhaps no stronger words need be used than those powerful words of the Calgary *Herald* which were unquestionably written with the deep feeling of someone who believes in and respects our existing constitution. I share the view of whoever wrote that editorial when he speaks of the danger of losing the second chamber unless there is a change.

If things go on as they are, if this government continues in power and imposes its will on the other place as it did on this occasion, then the demand for the abolition of the other place may come to the point where it might not be possible to stem the tide of that demand. I would hope, and I do hope very strongly, that it may be possible to take steps in time to stem that tide. I think there would be very grave concern in the minds of the members of our legislative bodies throughout Canada if the supposed protection, if the intended protection, of the upper house were completely removed. I am not putting myself in the position of suggesting that on recent performance they have any reason to believe that the other place, as now constituted, does offer them any real protection. For that reason I would hope that the members of the provincial legislatures are examining with care and with great concern what has happened to the upper house.

It was bad enough when they were denied the opportunity to do an effective job; it was bad enough when a one-sided chamber made any effective second examination no longer a possibility; but now we have come to something that is no longer a question of the composition of the other place, no longer a question of the opportunity it has to deal with legislation or the procedures which are followed, but the dignity, honour and independence of the other place have been destroyed in the same way that the dignity, the honour, and the independence of high offices in this house were destroyed at the same time. That is the serious feature. I would hope that we would hear an echoing demand from the other place. I would not wish any hon. member of the other place to think that I am reflecting on any individual. I believe that there are people of high integrity, of great experience, of long training, who could serve Canada well in that other place.

In Britain at Westminster the House of Lords, which is the corresponding second body, has been drastically reformed. A system has been established under which the House of Lords can have an effective voice, not only in regard to ordinary legislation but in regard to money bills as well under certain limiting provisions. The House of Lords cannot hold up legislation indefinitely. A recent provision makes it possible for the House of Lords to veto a measure, and then it would come back to the commons. When the House of Commons passed it a second time, it would become law. I believe that is the most recent revision. The House of Lords as an appointed body, for that reason, has a vitally important part in the functioning of parliament. It also has wider opportunities for the initiation and review of legislation, and for the consideration of many important subjects.

I believe that our second house, under our parliamentary system, could perform a most useful service. I believe there are types of legislation, other than divorce legislation, which they could handle with great expedition. They could discuss these subjects in that detached atmosphere which is supposed to prevail there, and then this legislation would be brought before this house with the advantage of the advice of experts in that field who would have been brought before the Senate committee before this house was called to pass upon it. I think an amendment of the upper house, which in no way changed its constitutional relationship to the provinces, could greatly shorten the sessions of this house and bring about a better balance between the work of the two houses than exists at this time. I hope that I will not be regarded as being unduly envious when I mention that there are many members here who wish they were members of the other place when it adjourns from time to time because there is not sufficient work before it. My comment is no reflection on the other place. There is no reason for them to continue in Ottawa when they have no work

before them. I think that what is essential for the effective operation, not only of the other place but of the House of Commons, is that under a proper system of reform, which maintains the protective feature of the other place's constitutional relationship to the provinces, there will be a balance of work between the two houses that will keep them closer together in their time tables and not cause the members of the other place to move back and forth from time to time as they are called upon to do during the course of the session.

Mr. Lesage: Would the hon. member permit a question for the purpose of clarification? Would he go so far as to propose that in the division of work between the other place and the House of Commons, money bills could be initiated in the other place?

Mr. Drew: No, I am not suggesting that money bills, in general, be initiated in the other place. After all, if there is one thing that above all else does attach itself to the responsibility of the government, it is the initiation of money bills.

Mr. Lesage: Yes, that is why I asked the question.

Mr. Drew: There is every possibility of a reference of money bills in the way that has been established in the House of Lords at Westminster. It was in regard to such a reference of money bills that I made the suggestion that we might, perhaps with some advantage, consider what had been done there. I wish to leave no uncertainty, however, because I did say this before. I am not seeking to lay down any rigid formula. The provinces have a very important part to play in whatever is done, and while there must be a keen desire to work out a balance between the work of the two houses which will give to the very distinguished and highly trained members of that upper house a wider scope for their training and experience, we must also remember that there should be no diminution of the authority of the other place over the constitutional relationship between the provincial governments and the federal government which was contemplated in the original drafting of our basic constitution. That, of course, also is inherent in the fact that the members of the upper house are not appointed on the basis of representation by population. The numbers are fixed. There is agreement as to that. The appointments are made with recognition of the unique duality of its function, of the duty of the upper house in relation to the provinces and their constitutional position, and also the relationship of the other place to the ordinary business and proceedings of this house.

I mention that because the discussion that takes place should be brought forward, as it was brought forward by the Right Hon. Ernest Lapointe in 1927, before a conference representative of the federal and provincial governments. My hope would be, though, that with what has happened and with the urgent desire to revive respect for the role of the upper house and its traditions, we should carry this forward, or see it carried forward, to a satisfactory conclusion which would be acceptable to the provinces and to both houses. I say this without in any way accepting the proposition that is sometimes put forward that when we urge a reform of the other place here in this house it would of necessity be repudiated by the other place. I cannot believe that, Mr. Speaker. I cannot believe that men and women of great ability, chosen to fill an honoured position in the upper house, would not welcome a reform which would give them an opportunity to play their full part in the operation of the parliament of Canada at this important time.

It is not only at Westminster that these reforms have taken place. In Australia they have had sweeping reforms and they elect their upper house. I have said I would hope we would not come to that point. In New Zealand, under demands such as have arisen here, they have abolished the upper house. I hope that does not happen here. The danger, however, will increase as events of this kind occur.

Now, Mr. Speaker, today on this supply motion I have dealt with one particular subject and I intend to move an amendment which does not relate to this subject alone but which does re-emphasize our belief that the Prime Minister (Mr. St. Laurent) should take those constitutional steps which would bring about a dissolution of this house and an election at the earliest possible date. We have emphasized that before. There was an interjection the other day that this was being done in a half-hearted manner. I have not heard anything half-hearted about the demands that have been made. We wish to remove any suggestion that there is anything half-hearted about our demand that there be dissolution and an election which will give the Canadian people the chance to express their opinions. We have spoken with deep earnestness, and we speak with deep earnestness today when we say that a great tragedy has occurred in the parliament of Canada, not only in this house but in the other place as well. Emphasis has been placed in this house on the tragedy to the House of Commons, on the events which placed the position of the Speaker, the chairman of the

committees and the deputy chairman in question as the result of the action of the government. We have spoken of the concern and the grave concern we feel for the future, with the precedents that have been established in regard to a form of closure never before at any time contemplated which, in the hands of people who sought to destroy parliament, could be applied as effectively as measures were ever employed under any dictatorship. It may be easy to say, "Oh, well, that cannot happen here". This has been said in most countries where free parliaments were destroyed by the methods and procedure of democracy itself, and that after all is the way in which it has happened in many lands.

We saw a system adopted here which denied to the house the opportunity to discuss individual measures, and yet found a declaration made that we had given consideration to sections of a bill which were never before us for a moment. No; things have happened here in rulings in this house by the Chair and by the chairman of committees which could be very dangerous precedents for the years ahead.

After the debate closed here and the votes were taken, things happened in the other place which were a part of this whole evil attempt—and I confess, a successful attempt—to bend parliament to the will of one man, to the will of a man who does not like the rules of parliament, and the will of a man who has been able to get the support of the other members of the government as well as the members of his own party for the demands he has made. Only a year ago we sat here well on into the summer because of the demands that that man made for unprecedented powers which had never been exercised in peacetime and never written into the statutes as they then proposed to do. That debate came to a successful conclusion in so far as the people of Canada were concerned because the government finally acceded to our proposals that a limit be placed upon those wide powers, and in that way the law should not become part of the permanent statute law of Canada, which would have practically made it possible for the government by order in council at any time to have dealt with any aspect of our economy. We were successful then; we were not successful on this occasion except to the extent that we did arouse a public consciousness of what was taking place here.

I am well aware, as is every hon. member, that there is a large majority on the government side. Mr. Speaker, I think the free press of Canada—and I use these words without capitals—on this occasion did indicate clearly what the people were thinking. I believe that those of us who opposed the course followed by the government were in fact expressing the sentiment of the people of Canada. I believe the people of Canada were shocked and ashamed at the arbitrary action taken by this government to comply with a date line set by a company which was not even controlled by people from our own country. I believe that Canadians are sickened by what has happened here in this House of Commons and in the other place.

I urged the Prime Minister to take some action such as the Prime Minister could take and such as the Right Hon. Ernest Lapointe obviously contemplated a few years ago when he presented these suggestions to a conference. There was no reply just as there was no reply on the other occasion to set up a committee on defence.

Before I sit down I just want to refer to that because I did not have the opportunity to do so and it shows exactly how far this goes. When I asked that the committee on defence be set up the Prime Minister said we could not have that committee because that was a practice followed in Washington. I then informed him there were inquiries of this kind in Britain. He said that was not his understanding but he would make inquiries. I need only remind him that it is done here and it is done every year by the Secretary of State for External Affairs (Mr. Pearson) when he refers his estimates to a standing committee for that department. These are merely examples of the way in which this government denies to this house the opportunities to assume its responsibilities. I do not believe there will be a full acceptance of parliamentary rights nor will there be a parliament in keeping with the wishes of the people of Canada until there has been a change.

I therefore move, seconded by the hon. member for Prince Albert (Mr. Diefenbaker):

That all the words after "That" to the end of the question be deleted and the following substituted therefor:

in the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker I rise to support the amendment. It is perfectly obvious to me that the present House of Commons has lost the confidence of the country.

Mr. McIvor: No.

Mr. Coldwell: If a demonstration were needed as to how the control of this house and the use of the proper rules of this house have not been enforced at the present

time it could be found in the speech of the Leader of the Opposition this afternoon.

I want to say that you, Mr. Speaker, were in the chair and the Speaker also occupied the chair during part of the remarks of the Leader of the Opposition, and while I am glad the Leader of the Opposition was able to place on record the editorials to which he referred, I say that in placing those editorials before the house and putting them on the record the rules of the house were clearly violated and neither you nor Mr. Speaker dare to rise and interrupt the Leader of the Opposition and call him to order.

Mr. Harris: Mr. Speaker, may I just interrupt for a moment and say I think I was as conscious as my hon. friend of the violation of the rules, but I think in fairness it should be stated it occurred after the Speaker left the chair.

Mr. Coldwell: Oh no, some of them occurred while the Speaker was in the chair.

Mr. Harris: I am not suggesting, however, that the Deputy Speaker was not paying attention to his duties.

Mr. Hodgson: The Minister of Finance was shaking his head at the Speaker.

Mr. Coldwell: I will put it this way: the leader of the house dared not rise and call the hon. member to order.

Mr. Harris: I will say something about that later.

Mr. Deputy Speaker: Perhaps I should say something at this point.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. I listened to the editorials which were read by the Leader of the Opposition. These points are extremely difficult to adjudicate upon from this position. The rule is against the reading of editorials which reflect on a proceeding of this chamber or of the other chamber. I listened very carefully to the editorials and it seemed to me the editorials which were read did not so reflect. They reflected on the chamber itself but not on a proceeding in that chamber and for that reason I did not rise.

Mr. Coldwell: Mr. Speaker, I accept your explanation so far as this chamber is concerned, but if the editorial in the Calgary *Herald* did not reflect on the other place I would like to know what remarks could reflect on the other place.

Mr. Deputy Speaker: It reflected on the institution, in my opinion, but did not reflect on a proceeding which took place in the other place. That is the line of distinction which I was able to draw.

Mr. Coldwell: I would say it reflected on the other place and at the same time it also reflected on the hon. members who constitute the other place. You cannot get away from that, Mr. Speaker.

What I was going to say is this. To my mind the dissolution of this house is essential because of the manner in which this house has been used over the past month or so. I do not think any reading of parliamentary history anywhere in the commonwealth or anywhere else with an institution like our own will give any support to the manner in which the rules of this house were set aside—

Mr. Byrne: By the opposition.

Mr. Coldwell: By the what?

Mr. Byrne: By the opposition.

Mr. Coldwell: Do not be foolish.

Mr. Gardiner: Certainly.

Mr. Coldwell: The opposition relies on the rules; we are the minority.

Mr. Byrne: You broke them.

Mr. Coldwell: The majority in this house requires no rules to support it because they can always enforce their will on this house so we could not be accused of setting the rules aside because we have no power to do so. How can anyone say such a thing? My hon. friend and others like him on the other side of the house have assumed an attitude toward this parliament which is the kind of attitude the followers of the dictators in Europe adopted during the 1930's, and I want to say that I agree with the Leader of the Opposition that we should have a general election and get this mess cleaned up, for it is a mess indeed.

Mr. Byrne: A mess of your making.

Mr. Coldwell: The hon. member can make his speech after I sit down.

An hon. Member: He could not make a speech if he tried.

Mr. Coldwell: If he can pull apart what I have said, he is perfectly at liberty to do so. I want to tell him he does not understand the rules of this house if he thinks the rules can be used as they were used by the government in the debate of recent occurrence and particularly in connection with the manner in which closure was enforced.

I may say I have never felt as strongly about anything as I have felt about this situation in our parliament.

An hon. Member: Too bad.

Mr. Coldwell: This is something that first of all grieved me and then angered me and

the thing that grieved me most in all probability was the fact that over the years I have believed that many of the hon. gentlemen sitting opposite may have believed in democratic procedures, and to see them set aside by the people in whom I had some confidence as democrats was indeed a very sorry thing to observe in this house.

My hon. friend can make his speech when I sit down.

Mr. Ellis: He would not have nerve enough to.

Mr. Coldwell: I have no doubt that his remarks stem back to some of his background in the past—party solidarity. My hon. friend knows to what I am referring. It stems from some of his background in the past.

Mr. Byrne: My background will stand up against yours any time.

Mr. Trainor: He is an independent.

Mr. Coldwell: We take a somewhat different attitude to the other place from that expressed by the Leader of the Opposition. For many years we have seen no good purpose in continuing a second chamber which simply does the bidding of the government, and again if ever a demonstration were needed of the second chamber doing the bidding of the government it was in connection with this pipe-line matter.

When it comes to the Canadian Senate, I think we could modify a famous saying: Everybody talks about the Senate but nobody ever does anything about it. That is true of whatever party is in power in this country.

Right from the earliest days of confederation, the appointments to the Senate by Sir John A. Macdonald were being criticized by the Liberals of that day. Subsequently, when the Liberals were in power, the appointments to the Senate were criticized by the Conservatives. Today we have a Senate which is no longer representative of anything but itself and the Liberal party, a Senate which is predominantly Liberal and where the opposition members in the Senate—and I speak respectfully of them—mostly have reached an age where the long hours of parliamentary debate and so on cannot be sustained by them. The very fact that in ten hours they were able to put through the measure that they did put through in connection with the pipe line is, I think, sufficient evidence that the Senate is no longer functioning and indeed should be abolished.

As far as reform is concerned, I believe it would be much easier to abolish the Senate chamber than to reform it. There would be a long controversy in the country as to how it was going to be reformed, but a simple proposal placed before the people of Canada for the abolition of the Senate would, I believe, be sustained by the people of Canada.

True, we know that under the confederation agreement the Senate was supposed to protect the rights of minorities, but when at any time in recent years has the Senate protected the rights of minorities, and particularly the rights of those of the other language than the one I am using myself this afternoon? I think the answer is never. The Senate has never done anything, that I know of, to protect the rights of the French-speaking Canadians, and for a very good reason. The very good reason is that it is not needed to protect those rights. Those rights are amply protected now, first of all by the constitution of this country itself, the British North America Act; then, of course, by the courts of our country and particularly, perhaps, the Supreme Court of Canada; and then the manner in which the representation in this house is set up, guaranteeing representation as the population of the province of Quebec and the other provinces grows. Then, of course, another reason for the fact that protection is no longer needed is the growth of the French-speaking population in our country and the influence exerted by our French-speaking compatriots. Today the protection of those minority rights, as they were thought of at the time of confederation, is no longer needed from a Senate of Canada.

I am of the opinion that the people of Canada would welcome a proposal for the abolition of the Senate. It is true, as I think the Leader of the Opposition indicated, that in all probability, the consent of the Senate being required, it would be very difficult to pass legislation to bring that about by a joint address, shall we say, of both houses of parliament, but I am sufficiently democratic in my point of view to think that, if the Canadian people indicated in a very clear and certain manner that they wanted either to reform the Senate or to abolish the Senate, the democratic desire of the people of a democratic country would ultimately prevail.

As I see it, there can be no logical reason today in a democracy for an appointed institution of this description. As the Leader of the Opposition has said already—and I do not want to go into details, because he has done so—the House of Lords has been very considerably curtailed in its powers. The Senate of Canada, modelled on the House of Lords, still retains all the power that the British House of Lords had. It can veto any bill, if it dares to do so, and it can exercise powers that the House of Lords

exercised once but can no longer exercise. It seems to me that, if the more, shall I say, traditional-minded British people can curtail the power of their second chamber in the manner in which they have done, we should be able to deal with our second chamber at least in the same manner.

Mr. Harris: Would the hon. member mind a question?

Mr. Coldwell: Not at all.

Mr. Harris: Is it not a fact, though, that the destruction imposed in the United Kingdom on the House of Lords is with respect to their powers, and not with respect to their composition?

Mr. Coldwell: Yes, certainly with respect to their powers and not to their composition, but I am hoping that their composition will be changed. Let me say this to my hon. friend: that appointments to the House of Lords by all recent governments of Great Britain have not been made on a partisan basis. They have been very largely made of men of outstanding service to the country, of outstanding ability in law, in parliament, in the armed services, in education and in other places, whereas our appointments in this country have been made mainly on a partisan basis, and very often the people who have been appointed are people who tried to get elected in constituencies and could not achieve the desired result and were put into the Senate as a reward for their services to the party in power. It is predominantly now a Liberal Senate.

So I say that the hon. gentleman is quite right when he says that the constitution is different. Of course, we do not want the hereditary principle in Canada, and I think that sooner or later it will be dispensed with in the United Kingdom. At the moment it is there, but the hereditary peers do not play any very important part as a whole in the deliberations of the House of Lords. It is the appointed people, either the lords spiritual or the lords temporal by appointment, that exercise the greater influence in the British parliament.

I am not going to speak at any great length but I did want to rise in support of the Leader of the Opposition and say that, as far as I am concerned, I am wholeheartedly for this resolution. We have asked for dissolution, and I think that the only way in which we can once again get back to a proper atmosphere in this house and a proper respect for the Chair and all the rest of it is by electing a new parliament. I do not know what effect the situation in the house had on the recent elections in the country. Probably they did not have much effect on the elections of the legislatures in the provinces. I do not think they should; I think provincial matters and federal matters are somewhat apart. None the less, I think the Liberal party can take very little comfort from what happened in the provinces in recent days. Without prolonging the debate unduly—because a number of other members want to speak—I want to say that we are going to support this amendment.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): I am rising to support the amendment moved by my leader. He dealt with one particular facet of this problem which I feel indicates that there should be an election, and a new government elected in Canada. I do not propose to follow him on the particular matter on which he laid special attention, the situation involving the parliament of Canada. I simply say that I agree entirely, of course, with the criticism which has been made and the documented evidence he has adduced. But there are many matters involving this country at the moment on which one can speak on this occasion because as a vote of confidence with respect to supply it involves all of the issues which confront the government of Canada at the moment. Therefore I propose to deal with one or two other facets of this problem independent of that which has been mentioned by my leader and the hon. member for Rosetown-Biggar (Mr. Coldwell).

The first one is one which has been brought to the attention of the Minister of Finance (Mr. Harris) on various occasions during the past week or two but only with respect to one particular facet, namely, the increased interest rates throughout the country. Whatever may have happened in the past, whatever responsibility the government may assume for inflation, there is no doubt that a substantial degree of inflation does exist in Canada at the present time. There also can be no doubt that deflationary measures are always unpopular and sometimes are necessary. With that general proposition, assuming that these circumstances exist, one could not take issue. But certainly in a country as vast as this, with all the various conditions prevailing from the Atlantic to the Pacific—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but may I advise him that the Leader of the Opposition has moved an amendment dealing with the dissolution of parliament and that automatically prescribes our discussion at the present time. Therefore I do not think the question of interest rates would be in order under this amendment.

Mr. Nowlan: Mr. Speaker, there are various other matters which one can discuss. I am raising this one for the very reason that you pointed out, because we are asking for the dissolution of parliament, because we feel that the way in which the affairs of this country have been administered by the government is such that dissolution is warranted, that an appeal should be made to the country and a new government elected to deal with these matters. On that basis, I suggest with respect, almost any criticism of the government with respect to administrative or policy matters is a fair field for discussion under this amendment, as would be the case on any motion to go into supply when grievances may be raised if it is a motion of want of confidence.

Mr. Deputy Speaker: I agree with the hon. member that once this amendment has been disposed of he may then, under a general discussion of grievances, raise this subject, but after all we are now dealing with the amendment of the Leader of the Opposition. The hon. member will recall that the two speeches made so far have dealt mainly with the question of Senate reform and other questions relating to the Senate and the House of Commons. I do not feel that we can depart from that subject in view of the amendment which is now before us. Of course, the hon. member will have his opportunity to deal with other matters once the amendment has been disposed of.

Mr. Nowlan: Mr. Speaker, I do submit that under a motion saying that the government has lost confidence and should be dissolved the mere fact that the Leader of the Opposition dealt primarily with the Senate and also with other matters which have taken place in this house surely does not narrow the scope of the amendment before us. There are various matters I want to bring up, including this matter to which I have made some slight reference. I say that surely on a general vote of confidence on a motion saying that the government has lost the confidence of the people one can raise almost any matter. It would be impossible, Mr. Speaker, for any speaker, for any speaker, even one as gifted as the Leader of the Opposition, and with all the time which might be available to him, to catalogue all the sins of omission and commission of this government. He just could not do it. Surely one is not going to be limited to the repetition of any statements he made. Therefore I do think, with all respect, that I am entitled to discuss other matters which have been brought up in the house before with regard to which criticism has been levelled at the government and changes have been suggested which the government has so far seen fit to disregard. Therefore, unless I have a positive ruling that I am out of order, I will proceed. I am only going to deal with this one matter for one minute because I am passing on to other matters which have been discussed and in connection with which criticism has been made at greater length. I wanted to deal with this one matter for a moment in opening, and in my opinion it is within the scope of the motion that I should be able to do so.

I wanted to say with respect to the matter of interest rates that protests have been made against inflexible principles as applied to flexible matters. We have heard it emphasized with respect to housing and the attention of the Minister of Public Works and the Minister of Finance has been drawn to certain areas in this country with respect to which statements have been made that housing is limited, curtailed or prejudiced because of the policy of the government. In passing may I suggest—

Mr. Blackmore: On a point of order, it seems to me—

Mr. Deputy Speaker: Do I understand that the hon. member for Lethbridge is rising on a point of order?

Mr. Blackmore: That is right. I think Your Honour was thoroughly justified in suggesting that the hon. member should discuss nothing else except the matter which the Leader of the Opposition used as the basis for his amendment. If he continues to discuss such matters as he is now discussing it will mean that when we come to the vote all those who may vote against the principle which the Leader of the Opposition has laid down could also be accused of voting against the representations on the various subjects which the hon. member wants to bring up, and that would certainly be unfair to hon. members. I think we should proceed and have the vote on the point raised by the Leader of the Opposition.

Mr. Deputy Speaker: Order. I really feel that the point of order just raised by the hon. member for Lethbridge is well taken. The hon. member for Digby-Annapolis-Kings is now discussing the matter of housing. I agree that he is perfectly entitled to raise that point but only after the matter now before us has been disposed of. I think, as is our invariable practice in airing grievances, that on a motion of this kind we must confine ourselves to one subject at a time. I would invite the co-operation of the hon. member in confining himself to this subject at the moment, and I will be glad to recognize him later to raise his other point once the amendment has been disposed of.

Mr. Drew: Mr. Speaker, I think there is one point with regard to this matter which seems to have been overlooked in the remarks that have been made. The motion that has been presented to the house is clear and specific. It reads:

> in the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible.

I made it clear I was only referring to one reason why I thought this motion should be supported, and it seems to me that any subject in regard to which it can be reasonably contended that the motion itself is justified should be admissible and that the fact that I happened to raise the particular question of what had taken place in the other place, with a comment also in regard to a request I had made for an inquiry into the defence estimates as showing a certain parallel with my request in this case, should not place any limit on the subjects that can be brought 'orward.

After all, on this supply motion we have a certain limitation in any event. It is not like the debate on the speech from the throne or the budget debate where the debate goes on indefinitely or could until the rules were changed this year. This is limited by having to end tomorrow, and I submit that anything that can be reasonably put forward as justification for the contention that the Prime Minister should take the constitutional steps which would lead to dissolution should be admissible in relation to this motion. That is my contention, sir. I regret very much the fact that I limited my remarks to the one subject instead of saying that there are 15 or 20 and then mentioning them at least once, a procedure which would have brought them all in. I would regret very much if that fact were permitted to limit debate which seems to me to be a wide open debate of the subject as to why dissolution is essential in the interests of the people of Canada.

Mr. Nicholson: On the point of order, Mr. Speaker, may I say this. While I think the Leader of the Opposition (Mr. Drew) and the hon. member for Rosetown-Biggar (Mr. Coldwell) gave sufficient reasons for this motion to be accepted, I see no reason why at this stage Your Honour should try to bar other hon. members from expressing views. I think the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) is quite within his rights in presenting other reasons which should be taken into consideration with a view to getting favourable consideration for the motion which is before us. I hope Your Honour would not prevent other members from presenting other reasons which might be as valid as the reasons given by the Leader of the Opposition and the hon. member for Rosetown-Biggar.

Mr. Nowlan: With respect, Mr. Speaker, I think your difficulty is that you have suggested that on the matter of grievances, we follow one after the other; and the practice has been in this house that you discuss the one grievance and make sure that members have all spoken on that before we move on to another one. This is an entirely different situation, I suggest, this afternoon where we are not discussing grievances per se but where we are discussing a motion of want of confidence and are saying that this house should be dissolved and therefore it brings everything within its ambit.

I must say that if I had thought that, by continuing my speech on interest rates, I would be encouraging the hon. member who raised the point of order a few moments ago to intervene in this matter, I would willingly drop it and move on to some other matters, because I do not want to see what he suggests happen. But apart from that, I have other matters to raise anyway and I am saying with respect that I think you are confusing a grievance with a vote of confidence. With all the seriousness at my disposal I submit that under the rules it is open to us to discuss these various matters. I have one, two, three or possibly more. If this question is going to be raised again, perhaps I had better enumerate them so that there will not be this problem facing anybody following me.

Mr. Drew: Mr. Speaker, might I say this. While this may not in itself in any way be conclusive as to the interpretation of the motion put forward, in drafting the motion, it was done intentionally without any specific limitation. It was drafted as a bald declaration that there should be dissolution and an early election with the idea that different subjects could be discussed. I recognize that Your Honour is not in any way bound by what the intention was, but I thought I should explain that the motion was particularly drafted with that thought in mind. I myself indicated that I was merely dealing with one of the reasons that I thought it was so essential that this be done. I submit to Your Honour that, under the rules, we can only carry this forward I believe until 8.15 o'clock tomorrow night and that after that there is the open debate, at which time there must be continuity. The moment a change is permitted, then something else comes in, but I submit that until that time comes and a vote is taken on this motion certainly the intention was—and I hope the interpretation would be—that this is a motion calling for dissolution and that arguments put forward

as to reasons why there should be dissolution—that is why confidence has been lost in the government to the extent that it is desirable that the dissolution—should be permitted.

Mr. Deputy Speaker: The hon. member for Digby-Annapolis-Kings has quite rightly stated that once the amendment has been disposed of, then we deal with one subject at a time and we recognize speakers who wish to deal with a certain subject. I think that is quite true. In view of the fact that this amendment is a very broad one, perhaps I should hear the hon. member.

Mr. Nowlan: Mr. Speaker, when the point of order was raised I was referring briefly to the government's policy with respect to interest rates or the Bank of Canada policy in raising interest rates across the country. Whatever may be the justification for some broad general approach to an increase in rates, I was suggesting that such a policy must be flexible rather than inflexible, and must take into consideration various local conditions existing all across the nation. The justification, if any, for an increase in rates is to control inflation, to restrict borrowing and to accomplish what you might term something of a deflationary process. Whether that is justified in some places in Canada, I know not. However, I know that the very reverse position applies in so far as the maritimes generally are concerned, which have not benefited at all from any inflationary tendencies, and where there is a necessity to borrow money more cheaply and to borrow more money than has been borrowed in the past. I draw the attention of the house particularly to one area with which I am familiar, namely the great fruit growing district of Nova Scotia which suffered a tremendous disaster last year. As a result of that, the growers, the warehousemen and virtually everyone engaged in the industry is in a position where he will have to borrow money this year if the growing of this year's crop is to be financed and provision made for the cost of spraying, fertilizer and all the rest of it. At the moment they are precluded from borrowing or their borrowing is more limited because they are told by the bank manager that it is government policy that loans must be curtailed and that they will not be able to borrow as much as they borrowed last year. In fact, it is intimated that they will not be able to borrow one-half enough or one-quarter enough with which to finance the beginning of this year's crop, something which will produce millions of dollars in that area where it is so badly needed.

I say there is something radically wrong with a policy which is administered in that way and which is inflexible. The minister says they are giving consideration to this matter in so far as housing is concerned. He told us in a rather mysterious way about having a conference with bankers, and intimates that something may be done some time to change the situation. I stress now with all the point that one can that the time to do it is now, at least in so far as these areas in the maritime provinces are concerned which need this additional capital, and with particular reference to the great fruit growing industry of eastern Canada which is going to suffer disaster again this year comparable with that which it suffered last year because they will not even be able to finance the crop unless there is a relaxation of these banking regulations, and that within the next few days. By friends of mine who are close to the situation I am told that at the moment there are only about two in the whole industry of those who ordinarily finance their growers who are able to do so out of their own reserves. The others normally borrow from the banks and they have been told this year that they cannot borrow anything like what they borrowed before. Of course, any increase in the rates naturally adds to the cost but that applies to everyone in business and is not a particular grievance of those people.

I draw that matter to the minister's attention and to the attention of the house as one thing in which I suggest this government has failed, where they are administering an inflexible policy rather than a flexible one, and that you need a different approach to this matter. For that reason I think it well comes within the scope of the motion which has been moved by the Leader of the Opposition this afternoon.

I turn from that, Mr. Speaker, to another matter which is of national importance, although it has a local application too, and one which I am certain that the government has failed to deal with as it should have on a great national basis. One could read editorial after editorial dealing with that matter but I do not propose to do that. I am referring now to the matter of education in this country and the responsibility of this government towards that educational policy.

There are two facets to it, of course. There is one dealing with the problem in the maritime provinces. The Minister of Finance has heard me stress that in times gone by. I am not going to repeat those arguments this afternoon because I still have the hope that someone who looks as intelligent as he does and who has some knowledge of conditions prevailing in local universities and universities generally throughout the

country will reverse that iniquitous program or that faulty program—I will not say iniquitous program—which was inaugurated by his predecessor whereby grants to universities are made on a per capita per province basis. That results in the universities of the maritime provinces, where we have a smaller population and more students, getting relatively little government assistance. Practically every university, with the exception of one, is financed by private charity or by endowment. They are suffering tremendously in comparison with universities in the rest of Canada, and steps must be taken whereby that situation can be ameliorated.

I have suggested that before, and I should like to hear some effective answer. I have not heard one so far. In fact I give the minister credit, because I do not think he has ever tried to justify this policy. At least there should be a basic minimum per head established, and having got that basic minimum per student—which was the principle adopted by this government during the war, and which worked out so satisfactorily for the education of our returned veterans—then you superimpose upon it 50 cents per head of population. I believe in some provinces they get more than that, but you do get the absurd situation—I have not checked the figures this year, but speaking entirely from memory—that in one province at any rate a university was getting as high as $400 per student, while in Nova Scotia I think it was $88 per student. It varied within that fairly extreme range of $400 down to $88. If a basic minimum of $125 per student were financed by the dominion treasury it would be of tremendous help at least to universities in the maritime provinces.

This is only one segment of this important problem which is going to confront us within the next few years. My charge against this government this afternoon is that apparently it has failed utterly to realize the impact of that problem on our national development. You cannot open a newspaper in Canada today but what you will read statements from university heads, business heads, the Canadian Manufacturers Association or labour unions, whatever it may be, to the effect that Canada is facing a problem within the next few years in getting trained personnel, and that we have not had the facilities with which to produce that personnel nor have we been getting leadership from the government or any assistance whatever.

I was interested the other day in reading a speech given by Mr. Crawford Gordon, president of the A. V. Roe Company Limited, to the Canadian Manufacturers Association, in which he pointed out some of the problems with which we are confronted. He said that Canada was lagging farther and farther behind in the training of manpower. He quoted figures with respect to Russia, where apparently a few years ago we had the picture presented that they were all sort of stupid peasants going around in great fur coats whose educational system we did not envy. Now the emphasis has gone the other way, perhaps too much so, and we are suddenly being told, whether it be by James Duncan, a manufacturer, or Norman Smith, a reporter, of the tremendous progress which is being made in the educational field and how far we are lagging behind. Mr. Gordon said the other day that he is setting up a conference in September to deal with this problem. It has been suggested by many newspapers that we have a manpower conference—I have forgotten the exact name of it—which was constituted by this government several years ago to survey the whole problem of manpower. It had three or four meetings, but nothing has been heard of it since 1953. Now we are getting into a situation where everyone says something must be done and done immediately. I say the problem must be met.

I noticed a speech the other day by Dr. Sidney Smith in which he says the expansion of plant alone for universities within the next three or four years is going to amount to over $350 million. We will have this tremendous increase of student population starting within the next five years as a result of the increased birth rate during the war. This $350 million is for increased plant, but what about the training of personnel? Nothing is being done about it. The Canada Council was recommended five years ago by the Massey report, and we are told today that cannot be established because the Prime Minister cannot find the personnel. This is one of the problems that could have been dealt with by the Canada Council, the question of universities, of leadership and guidance. I suggest that if the Prime Minister finds it very difficult to get the personnel for the Canada Council, he might turn the problem over to the conference of presidents of universities, and within two weeks they would come up with satisfactory nominations.

At any rate, the situation is this. The universities of Canada are facing an important task, whether they are huge like the University of Toronto or relatively small like Acadia University, in my home town. They are confronted with a problem which none of them can meet. You have to have leadership, guidance and assistance from a government, and so far that has not been evident in any way whatever.

I am not blaming the government alone for this. I think we have all failed Canada on that score. I noticed the other day that in

Canada, for instance, 878 corporations gave nine-eighths of one per cent of their income to education, but only one-tenth of that went to higher education, or roughly $3 million. At the same time industry in the United States gave over $100 million to higher education, and it was a smaller percentage of their entire income.

We need leadership in this sphere, and we are not getting it here. There must be a system of scholarships set up so we can provide this trained personnel. There must be general assistance given in the field of education because Canada is facing, and I reiterate it and stress it, a problem far greater than anyone here realizes. This is what Mr. Gordon said the other day:

> Unless an answer is found, and found quickly, we and the whole western world will start to slip behind in the race for technical and productive supremacy.

I am not only concerned about technical and productive supremacy, I am also concerned about the humanities, the arts as well as the sciences. Within the last two or three days I noticed that Premier Frost has spoken on the matter of education and research. He said:

> The matter of university education and research is not one which in 1956 we can relegate to the province by a clause in the confederation act, in the drawing of which the fathers of confederation could not anticipate world crisis such as 1914-18 and 1939-45, nor the battle of peace upon which the future of Canada, and indeed the survival of democracy depends.

The future of Canada and the survival of democracy—those are fairly strong words. I do not think they are too strong, Mr. Speaker. I do think a problem is presented to the government there with which it should deal and with which I have seen no indication of it dealing so far. I should like to see a government returned here, of whatever political party it might be, fresh from the people with a mandate to deal with matters such as this. Although the problem is somewhat indefinite and perhaps has no great popular appeal, yet I think it is fundamental at least to our national future if not to our very existence.

I am not sure what time I have remaining in view of the discussion which took place a while ago on a point of order, but there is another matter to which I want to refer. It is separate entirely from the one I have mentioned so far. This is a matter about which we have read in the press recently, the increase in freight rates which has been authorized by the commission, a temporary increase until fall. I realize, Mr. Speaker, that in so far as the transport commissioners are concerned, this government has no responsibility whatever. I think that would be the proper position for them to take.

My complaint in this particular phase, Mr. Speaker, is that for years some of us have been urging that the Maritime Freight Rates Act be brought up to date, not only be amended but be revitalized, be made to live in 1956. I spoke on that in 1949, in 1950 and in 1951. That is a matter in which this government has direct responsibility. Because it has failed to deal with it in any way I believe it does come within the ambit of this resolution. It is something for which this government must take full responsibility, and possibly needs a government with a fresh mandate in order to see that it is done.

I think it is worth while referring briefly to the record in this regard, Mr. Speaker. I have not time to deal with it at any great length but, as Premier Flemming said the other night in an address he made somewhere, sometimes you have the feeling, when you are referring to the Maritime Freight Rates Act, that you are a poor relative asking for charity at the hands of some wealthy person. That is far from the situation. Without taking the time of the house to put it all on the record, I wish to establish this point. Section 145 of the British North America Act is the keystone of this entire structure. This is what it says:

> Inasmuch as the provinces of Canada, Nova Scotia, and New Brunswick have joined in a declaration that the construction of the Intercolonial Railway is essential to the consolidation of the union of British North America, and to the assent thereto of Nova Scotia and New Brunswick . . .

That is the prime condition on which they entered. It is interesting to see the technological advances that have taken place since 1867. Eight years later Prince Edward Island was brought in and virtually the same thing was said. However, they were then emphasizing telegraphs as well. We come to 1948 and Newfoundland finally comes into the dominion. The technological field has developed still further. Now we have airports, airplanes, railways, telegraph; the whole picture. As the technological field has developed so I suggest should the interpretation of this problem and what is envisaged by it.

The whole matter of the Maritime Freight Rates Act was considered many years ago, away back in 1926. It would be worth while, Mr. Speaker, if time permitted, to put on the record the preamble of the Maritime Freight Rates Act.

The Acting Speaker (Mr. Applewhaite): It may be a little irregular for me to say so, but the hon. member's speech was interrupted. He has often referred to his time. For his information, may I say that according to our record he has 20 minutes of time still left.

Mr. Nowlan: I did not realize there was that much, Mr. Speaker. The Maritime Freight Rates Act was passed in 1927. There was a preamble to that act which is very important, and which for some reason has been left out of the printing of the act in the Revised Statutes of Canada. In order to find the preamble one has to go back to the original statute. I think it is worth while to put on the record what was said by the royal commission as a basis for the establishment of the Maritime Freight Rates Act. It was as follows:

> Whereas the royal commission on maritime claims by its report, dated September 23, 1926, has, in effect, advised that a balanced study of the events and pronouncements prior to confederation, and at its consummation, and of the lower level of rates which prevailed on the Intercolonial system prior to 1912, has in its opinion confirmed the representations submitted to the commission on behalf of the maritime provinces, namely, that the Intercolonial Railway was designed, among other things, to give to Canada in time of national and imperial need an outlet and inlet on the Atlantic ocean, and to afford—

These are the important words, Mr. Speaker:

> —to maritime merchants, traders and manufacturers the larger market of the whole Canadian people instead of the restricted market of the maritimes themselves, also that strategic considerations determined a longer route than was actually necessary, and therefore that to the extent that commercial considerations were subordinated to national, imperial and strategic conditions, the cost of the railway should be borne by the dominion, and not by the traffic which might pass over the line.

There are several other sections, but this is the important one. One of the purposes of the railway was strategic, Mr. Speaker, which resulted in a railway 300 miles longer than was necessary. That is rather interesting today, Mr. Speaker, when we have our United States friends co-operating, in fact working, in the north country and taking over the D.E.W. line. One reason we in the maritime provinces are penalized in regard to freight rates is that when we entered confederation there was a real or imagined fear of the United States, and the Intercolonial Railway was built all the way up along that New Brunswick coastline, as far away as possible from the United States border. That resulted in an increased mileage of over 350 miles. Our goods have to move back and forth over these miles to get to central Canada.

Up to the early part of 1912, in fact up to the outbreak of the first world war, those rates were preserved at a proper level. The principle was maintained that the traders and manufacturers of the maritimes should get into the larger market of upper Canada. Those rates started to increase during the war. The Maritime Freight Rates Act was brought into effect in 1926. In effect they froze the rates at a certain level and gave a reduction of 20 per cent on goods originating within certain areas in the maritime provinces moving into the markets of Quebec and Ontario.

That seemed to be a satisfactory solution. Then what happened? We began to get these horizontal increases at one time and another, until recently it was computed that from 1948 to 1955, because of horizontal increases, the freight rates had increased over 98·7 per cent. When we take into consideration the 7 per cent increase which was authorized the other day by the board of transport commissioners we have had an increase of over 100 per cent since 1945.

What a bill to give to a territory which used to get a 20 per cent reduction. When the principle was established one might be paying $1, and with the 20 per cent reduction it amounted to 80 cents. That put us in a competitive position. In the meantime that rate has gone up to 82 and now we are paying $1.60. It is true that we are getting the 20 per cent reduction, but we are paying $1.60 instead of the 80 cents we were paying before because those horizontal increases have not applied to traffic in Ontario and Quebec where there is competition from water transportation and from trucks. Because of these short-haul, competitive rates which have been established, goods in this part of the country have not borne the same relative costs as they have in the maritime provinces. I could produce example after example of that but I am not going to do it at the moment because the situation is well known to all of us.

Now, someone has said, "You are getting special subsidies, a special benefit." Premier Flemming said, when he mentioned the Maritime Freight Rates Act, he sometimes felt like a poor relative looking for charity. I suggest to this house that in the short time I have been here we have provided special subsidies for transportation. We provided it in connection with the railway bridge across northern Ontario. We pay $7 million a year for the reduction of rates across that northern Ontario bridge. If you take the car loadings moving you will find that the subsidy per car on the so-called bridge is $48.44. I find that reference in the study made by the

maritimes freight rates commission. The subsidy per car under the Maritime Freight Rates Act is only $29.25. Therefore I do not think anyone can complain that we are getting any great subsidy which puts us in a unique position when compared with any other province.

As I said, as the result of these horizontal increases a situation has been created which has entirely negatived the provisions of the Maritime Freight Rates Act as it was envisaged by the Duncan commission and by this government. In 1927 this government, then led by prime minister Mackenzie King, brought in the legislation and said, "This is a solution of the problem for all time to come".

This is just illustrative of the problem which exists in my own constituency. When this act came into effect, and as late as 1937, a carload of apples going from Middleton in my constituency to Montreal cost $120 and in 1955 it cost $272. A carload of apples going from Grimsby, Ontario, to the Montreal market in 1937 cost $97 and that was increased to only $127 by 1955. In other words a carload of apples being shipped under the so-called benefits of the Maritime Freight Rates Act has had an increase of $148 imposed on it, and a carload getting standard rates from Grimsby to Montreal has had an increase of $30. So we are $118 worse off under the so-called benefits of the Maritime Freight Rates Act than under the other rates.

I can also quote figures for a carload of lumber from Ontario to New Brunswick. It was $80 in 1937 and it is $160 today, or an increase of 100 per cent. From Val d'Or Quebec to Montreal it was $86 in 1937 and it is $111 today.

One could go on, Mr. Speaker, but I think I have said enough to give some examples of the complete failure of the Maritime Freight Rates Act to operate under existing conditions. There are other phases one could mention. As a matter of fact, I mentioned this back in 1951, so I think we have a legitimate grievance in suggesting it is time the government dealt with this matter.

This act does not apply to shipments going to the United States. It goes back to the time of the building of the Intercolonial Railway, when the Duncan commission felt we could have nothing except what we were logically entitled to as the result of confederation. Back at the time of confederation reciprocity with the United States had just been abrogated and the maritimes were shipping very little to the markets of Massachusetts and New England. In 1926 the Duncan commission said, "You cannot get any benefit from goods going into the United States". Today, of course, we are shipping large quantities of apples and vegetables, some lumber and tremendous quantities of fish into the New England states, and thus we should get the benefit of that act.

For some strange reason which no one has been able to determine the act has been administered so that it does not apply to goods moving by C.P.R. into Nova Scotia, coming over from Saint John to Digby. As a result goods moved over that route by the Canadian Pacific Railway into Nova Scotia are paying the highest rates in the maritimes. No change has been made so far and apparently no change is being contemplated by this government. Therefore, Mr. Speaker, I say the time has come when that act must be revised. It must be brought up to date and applied to give us that to which we are entitled.

We do not want that to which we are not entitled; not charity or grants in aid or assistance of any kind except the fundamental matters which were guaranteed by the British North America Act, recognized by a commission appointed by this government in 1926, and written into the preamble of the act, all of which have been lost through technological changes in transport and freight rates by two innovations: (a) horizontal increases and (b) by creating special rates to meet competition by water and truck. The situation today in the maritimes is much more adversely prejudiced by the act being in existence than it was 25 years ago before the act came into existence at all.

As I said, that is only the third matter I want to bring to the attention of the house at this time. It is a matter that was outstanding long before I came to the house. When I first came into the house in 1949 the then member for Cumberland, Mr. Percy Black, moved an amendment on going into supply. The government said it would take it under consideration and something would be done. This afternoon I was looking at the speech made by the then minister of transport, Mr. Chevrier, in which he admitted there had been difficulties in the administration of the act and said something must be done about it.

That took place in 1949, and this is 1956. Is there any reason one should not say that is a matter on which there is a justifiable complaint? We in the maritimes believe this government has failed in dealing with this problem and that it is necessary to have a new parliament elected with a fresh government to deal with this and a score of other problems which may or may not be raised during this debate.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I must say that to some extent I have enjoyed listening to the Leader of the Opposition make his annual speech concerning why the Senate should be reformed. Listening to his address I admit I thought a logical amendment would have been to the effect that it was resolved the government should bring in a bill to reform the Senate, but the Leader of the Opposition did not bring that in. I am not championing the cause of the Senate because I want to go there. I shall be in the House of Commons for as long a time as the people of Fort William want me to be here, and while I am here I will not be in the Senate.

If I had been a senator sitting up yonder looking down on the Commons during the pipe-line debate there is one question I would have asked myself: Why does the opposition not debate the bill? Why are they moving so many motions for the adjournment of the house, and why are they raising so many points of order and questions of privilege? Why do they not debate the bill?

I will admit, Mr. Speaker, that when the pipe-line bill went to the Senate the Senate debated the bill with dignity, and in proportion to their number they said more in the discussion of the bill than did the opposition here. The opposition in the Senate did not get angry and rush out into the aisle calling the other side names and doing other undignified things. I must also confess, Mr. Speaker, that during that fracas I was the only one on this side of the house who did not act with dignity. When an hon. member over yonder called out, "Throw out the mace", and then when the leader of the C.C.F. and other hon. members came out in the aisle like a howling mob, I must say I stepped out into the aisle and I can assure you, Mr. Speaker, though I might have gone down under the advance of the members, somebody else would have known the reason before I would have allowed anybody to touch the mace. I think the Senate would be well advised to send a bill down to this house for the reform of the House of Commons, after what the members of the Senate saw take place here.

The policy of the government was that we would have an all-Canadian gas pipe line for Canada. That was expressed in the speech from the throne. One hon. member who was not a Liberal said to me, "If the government does not pass this bill, if it allows the opposition to defeat it in this respect, it is not fit to govern the country". But the opposition did not win this time, and I would just like to remind the opposition that those who came out into the aisle using language they would never use to their better halves will regret that scene as long as they live.

Perhaps the Senate does need some reform, but I am not going to go into that now. I am going to say, however, I think the government stands high in the estimation of the people of Canada, and I am going to allow a cabinet minister to prove that.

Mr. Montgomery: Bring on an election if you think so.

Mr. McIvor: I am not listening to any questions from the opposition when a man does not rise in his place. I was home in Fort William. If we had not passed the pipe-line bill I doubt that I could have been elected again there. Perhaps I could not be anyway. But that is the government policy. When I think of the government of Ontario to a man standing for this pipe line and then the opposition here trying to do everything possible to defeat it, I think there is another thought coming to the opposition.

As I have said, I shall allow a cabinet minister to show why the government is held in higher respect in Canada today than ever before. We have better times today than ever we had before; unemployment is low; and today we have an atmosphere in Canada that many other countries in the world would like to imitate.

Mr. F. G. J. Hahn (New Westminster): The motion of non-confidence that the leader of the official opposition moved reads:

> In the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible.

It is one in which every Canadian should be most vitally interested. I listened with some interest to what he had to say with respect to the reform of the Senate. I must say that possibly much of what he said thereto was called for, and that our upper chamber was drastically in need of some reform. I am satisfied, too, that possibly the senators themselves desire certain changes to be brought about in the operation of that august chamber. However, I do not view this amendment as one that would be a vote of confidence in the government; rather I think it would indicate that it is a vote of confidence in democracy itself.

It would seem to me that here we have many instances where a minority group feels that because it has not had its way, the government is not rightfully in office. I listened with a great deal of interest some days ago when the Leader of the Opposition spoke in respect to the vote of censure on Mr. Speaker. The only fault I heard him find,

was that Mr. Speaker admitted he had made a mistake and was trying to do something about it. I for one consider that when a man makes a mistake and is big enough in a chamber such as this to admit he has made a mistake, he should be given credit and not censured for it.

In dealing with the trans-Canada pipeline bill the official opposition and the C.C.F. apparently were ill-disposed to feel that the bill was a good one for this country. They have a right to their opinions, but I wish they had said more about the bill at that time and less about the rules of procedure, and had let us discover what they had to offer in place of it. Then possibly some of us might have been more prone to support them in that particular case.

In respect to the matter of education, raised earlier by one of the members of the Conservative group, I think he indicated he felt that the federal government should do more in respect to education. I have supported from time to time a plea that the federal government should assist in education to a greater degree than it is doing today, especially in the higher grades. That would not be a mistake. However, it would be a mistake on the part of this parliament to foist its ideas upon any of the provinces that do not wish us to assist in education at the federal level, and for that reason I again feel, much as I would like to see assistance in the education field by the federal authority, that it is impossible for me to agree that it should be forced upon any group in this country that does not wish it.

The future of democracy will not be met by this bigoted action but, I should say, rather by a moral acceptance of the responsibility of each member of this house that he has a job to do here. His job in the opposition, I should say, is to try to persuade the government that what it is doing is wrong and possibly might be amended, but certainly not to tell this country that after a government has been elected by the people for an understandable period of four or five years if it so wishes, it must do as the minority says it should do or else go to the country every time there is a contentious measure.

A year ago we in this group most heartily supported the opposition in respect to the defence production bill. Even on that issue, however, unless the people of this country are stirred up to the extent that they show they are absolutely opposed to the reigning government, I feel that no election is called for and we should carry on in a practicable way and let democracy function as it is intended to function, by the rule of the majority and not by the rule of the minority.

I think it is to our discredit that we should say that we as M.P.'s are not exercising the authority that is vested in the office we hold; that some of us are voting for a particular political machine. I am satisfied that each member of this house, including each of the hon. members on this side, when they took the oath of office agreed they would do as their conscience bade them, and I am not going to accuse anybody of not having done so. If it would appear that certain members have followed in the footsteps of their leaders and followed their suggestions, it may be that persuasion was the driving force that caused it. It is not a force of fists, but possibly a force of words and explanations that showed them the merits of what they were voting for.

The fact is that I find in my own area at least, for that is the area from which I get most of my correspondence, that there is no extreme discontent, and I consider that would be the prime reason for any election to be held in this country. Certainly at this time, in considering what has taken place in this country, no matter how badly we feel about the events that have taken place I cannot see sufficient reason for calling an election and so doing us out of the proper field of democracy as it is expected to function. Probably I should be the last to suggest that we should not have an election, for I am possibly one of the very few in this house who at this time have been favoured with a nomination to contest the next election. Personally I would be quite ready for it, but I see no reason for it. I am satisfied that those who are clamouring the most for it would be the most disappointed should the government call an election immediately.

An hon. Member: Nomination does not mean election.

Mr. Hahn: I take note of the interjection with respect to nomination not meaning election. There is no one more aware than I am of the fact that nomination does not mean election. I was one of the few who were declared defeated and later elected in the last election. However, it will remain for my constituents to decide, and I will be prepared to let them decide the issue in due course. But I do not consider that this is the proper time for such an election.

The question of freight rates was raised. As the hon. member for Digby-Annapolis-Kings did, I should also like to indicate that I am quite opposed to the latest increase in the freight rate structure of this country. It is true that the board of transport commissioners

determined that a 7 per cent hoist in rates at the present time was quite justified, having regard to the increases in wages that were given to certain railway employees. However, freight rates play such an integral part in this nation, especially in the parts that are distant from Ottawa and the central provinces, that they have a material effect upon the cost of living; in fact to such a degree that I am satisfied the whole nation may well suffer if we continue to have increases in freight rates every time there is an increase in wages.

Agriculture in Canada has suffered badly during the past few years. We have been told by members of all parties, and the statistics bear it out, that agriculture is suffering more at the present time and also suffered more last year than at any time since the depression years. In British Columbia we have a strong agricultural industry. It is the third major industry of the province, being surpassed only by logging and mining. There are certain branches of agriculture in that province which require a great deal of wheat. I refer to the poultry, dairying, pork and beef industries. We are not primarily a grain-growing area, so we have to import a great deal of grain into the province from our neighbours.

The increase in the price of grain brought about by the 7 per cent increase in freight rates is merely going to put our farmers into a 14 per cent cost squeeze. The farmer will have to pay 7 per cent more on domestic grain coming into his area and an additional 7 per cent on the other goods he has to purchase. The two combined add to 14 per cent. There is also the fact that we have to compete with produce coming into the province from outside markets, particularly from our neighbours to the south. Other countries are also favoured under the export freight rate, which makes a big difference with respect to the cost of production so far as poultry, pork, beef and dairy production particularly are concerned in the province of British Columbia.

A year ago or more, I believe it was in February, the government saw fit by regulation to reduce by $5 a ton the subsidy on feed grain coming into our area, and it now becomes apparent that whereas heretofore our farmers were just able to make ends meet, they are going to have to pay an additional 7 per cent for feed, which is going to put them in a position where they just cannot carry on any longer.

In my opinion an examination of railway operation methods is desirable at this time. It is desirable because we find that the railways today are giving agreed charges to certain particular industries in order that the railways may compete more favourably with the trucking industry and so get revenue they would otherwise lose. These agreed charges can run into the thousands, although they may not run that high at the present time, but by having more and more agreed charges it means that some other part of our economy must pay the difference between what the railways were previously getting from freight and what they are going to get in the future.

In other words, if we have a thousand agreed charges set up by the railways then products that can only be hauled by rail, such as grain or heavy steel products, must pay additional freight and thereby offset the loss under the agreed charges. During the discussion in the special committee this year of the affairs of the Canadian National Railways I remember quite well asking Donald Gordon where these agreed charges were in effect, how they became compensatory and how it was decided whether such rates applied between Hamilton and Toronto, Hamilton and Montreal, or any other two points. We always arrived at the same answer, that it was impossible to determine the exact cost from point to point. If it is impossible to determine that, how do we know that we are not losing money on agreed charges? If we are losing money on these agreed charges in order to be competitive with the trucking industry, and at the same time are taking business away from that industry, then certainly there is not sufficient derived from the grain trade at the old rate to keep up the revenue.

Therefore it becomes necessary in my opinion to examine again the problem of the railways, their handling of the business of this country and the special agreements they make with other industries in order to transport a major part of their goods and gain revenue that would otherwise go to truckers. I say that the farmer in British Columbia and in the maritimes is subsidizing the agreed charges, and we must not carry on in that fashion any longer.

It is high time we looked into this matter and stopped this indiscriminate method of just slapping on a 7 per cent or 15 per cent increase in freight rates in order to meet certain losses. It is time our railway industry woke up as to what its problem is, and it is not just the single problem of carrying freight at a nominal charge. There should be special privilege for none.

In the province of British Columbia we have other subsidiary industries that are going to be affected by the 7 per cent increase in freight rates. We have the gluten and adhesives industries. We have the edible

starches, macaroni and paste foods, distillery products and other industries. With respect to the macaroni industry may I say that we had three or four factories not so many years ago that were busy all the time. Today we have but one. It is a plant which would normally keep 300 people busy. Today we find just a handful of employees working in that particular industry. The British Columbia farmers must compete with United States producers. They must compete with the foreign market completely.

We have the two freight rates. We have the domestic rate and the export rate in this country on our wheat, and this is what we find. I have a table which I took from a report given to the board of transport commissioners by the British Columbia government on February 7 of this year—it is known as Exhibit "C"—in which they take certain terminal points and discover the various costs in respect of the handling of grain. This is what we find. We find that the number of miles a car travelled to go to British Columbia was 780; the average number of tons per car was 50; and the average revenue per car was $571. These figures—the revenue figure of $571 and the mileage of 780—are important.

Transposing that, we find the following comparative rates. Exhibit "D" of that same report would indicate that on a 700 mile haul —taking other items as examples, in carload lots—aircraft parts would be carried for 700 miles for $330 as compared with $512 which might be computed on a 700-mile basis for wheat on the domestic freight rate. Ammunition pays slightly more by the carload for hauling on that same basis; it pays $660. And so we could go through this whole chart. I find, for instance, large bottles—breakable glass—being hauled over a distance of 700 miles for $369.60 while on the other hand we have $512 which must be paid for hauling wheat which is needed in order to keep our industry in operation on the west coast.

On the next page we have shown the revenue per car on coconut shells and skins, $327; ores and concentrates, $545—they too pay more—some grain products, $356; other grain, $396; hydrated lime, $320.40; old rails, $445. From studying these figures, Mr. Speaker, it becomes apparent that wheat, a commodity which is so simple to handle, is paying a rate out of all proportion as compared with that on any other product in this country for hauling to the west coast.

Exhibit "E" of this same brief deals with varying classes of freight and the distance hauled. I am just going to read one or two of these examples to illustrate the point. The chart is headed "Average revenue per car by classes compared with yield from domestic grain rates". First-class rate, special type, number of cars 89; revenue, $33,295; average revenue per car, $373; average haul, 731 miles. Mr. Speaker, on grain for domestic purposes, on that same basis, the revenue per car was $590. In other words we pay $217 more for the hauling of grain to be used to be fed to our stock in our poultry industry, our cattle industry and our dairying industry. Wheat pays $217 more than does the first-class freight into that particular area. The fact is that out of the ten examples we find given here, there are only two which pay more than wheat for domestic purposes.

Exhibit "G" is another of these charts which indicates a comparison of refrigerated and heated car prices as compared with domestic grain revenue. We find the cost for carrying commodities such as eggs, dressed poultry, cured meat, butter, cheese and so on. They are carried under very difficult circumstances. Yet in the case of eggs the revenue per car is $348; in the case of dressed poultry and dressed meat it is $350; cured meat, $382; butter, $320; cheese, $384; sheep, goats, cattle, hogs, $200; domestic grain, $540. In other words it costs more than twice as much to carry grain to the Pacific coast for the purpose of raising cattle and hogs than it does to send the animals themselves to the Pacific coast. That is something Mr. Speaker, that I consider is definitely wrong.

Earlier I indicated that I was opposed to the calling of an election on the premise the Leader of the Opposition indicated. While this is a particular problem that is prevalent in the province of British Columbia, and one which I am satisfied this government must examine into if they are going to keep the people of British Columbia happy and not discontented, at the same time it is not of such an extreme nature at this time, because the people in my province have not been stirred up to the degree that they feel that this government should be forced out of office after three years because they have not found a better solution to our rail problem in this country.

I would not agree that the government should permit an increase of 7 per cent in freight rates. I will not vote for such a thing. However, I am forced into the unhappy position where if I vote for the resolution I defeat my own purpose. As I said earlier, it is not in my opinion a motion of censure on the government, but is a motion of censure on democracy itself. I agree with democracy and believe in democracy; therefore as an individual I shall have to vote against the amendment.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, from listening to the young gentleman from British Columbia—and it was quite an interesting experience—I am not sure whether he realizes what he is here for. To hear him talk you would think that he was on the government benches. Judging from the remarks he has just made he does not realize that he is here for one purpose, namely as the representative of his people—a status he acquired the day after the election was over—in order to be the censor of this government and on all occasions to bring up everything necessary to throw not only this government but any government out of power after any length of time, whenever they deserve to be thrown out of power for mismanagement of the country's affairs.

He says the government are entitled, by virtue of their election, to a four-year term. Mr. Speaker, imagine a member of parliament saying that.

Mr. Johnston (Bow River): He was trying to be fair. You could not understand that.

Mr. Ferguson: If I cannot, then nobody can. I am positive you could not enlighten anybody on anything yourself. We will hear you later and let you struggle and try to demonstrate your great ability to explain anything. At the end of it nobody will know anything. Thank you.

Mr. Johnston (Bow River): You are welcome.

Mr. Ferguson: Mr. Speaker, after that rude interruption I shall proceed. I shall endeavour to teach one of that gentleman's cohorts his position in parliament. His position in the opposition is to do everything in his power to enlighten the public. If he thinks the government is wrong, whether it has been in power for a week or for four years he has the right to call for an election. He should not sit back and say they have been elected for four years, because that is not so. A government is not elected for four years or four months—

An hon. Member: For five years.

Mr. Ferguson: —it is elected at the discretion of the public. The public will vote the government out if they see fit. The Leader of the Opposition has every right in the world, as has every man in this house, to call upon the Prime Minister, if he sees fit, to call an election. He may be wrong, but he has the right to say that the country has no confidence in this government and to ask the Prime Minister to adjourn the house and call an election; let the public decide. Now, the Prime Minister will decide whether or not that shall be done, but everybody in this house has a right to voice his opinion. This closure procedure has even reached the Social Crediters. They have even closed their own mouths for a period of four years.

Mr. Johnston (Bow River): They were the ones who would let your member speak, when you would not; don't forget that.

Mr. Ferguson: I always like to let somebody speak who can speak. We have heard you speak twice during my brief—

Mr. Johnston (Bow River): I was just trying to help you out.

Mr. Ferguson: —remarks. I have been here 12 years, and I did not need your help.

Mr. Johnston (Bow River): It is gratis.

Mr. Ferguson: Everything you get for nothing is not worth a cent, so we all know what it is worth. I wish that from now on you would refrain from speaking and let the public enjoy themselves. I would think we need an opportunity to consult the people on the serious questions confronting Canada today, and for these reasons. Never in its history has Canada enjoyed the prosperity it is enjoying today.

Some hon. Members: Hear, hear.

Mr. Ferguson: Look who gave it to you. Look who put the oil in the Alberta sand. Look who put the iron in the rocks of Quebec. As I said before, God had nothing to do with it; they did it all.

Now, we are enjoying the greatest prosperity we have ever had. The banks in Canada have been making more money. Last year was the greatest year in their history. Industry is busy. You cannot find labour. We have a country here that deserves a population now of 16 million, and if it were not for the lack of foresight of our forefathers, my own included, this country would have had 16 million people. This country would not be looking to a foreign country to defend it. We would not be making a loan of $119 million to a foreign country to build a pipe line across Canada if our forefathers had proceeded as they should have. I am talking about my own forefathers who sat in this house and the legislatures before this.

This government has about the same kind of vision. It should have a vision for the future. It is all very well to sit back and say we are enjoying great prosperity. Is that our yardstick, that we are enjoying prosperity? The yardstick of this country, based on the natural wealth we have discovered in the last 10 years, should have no limits. Immigration has been tossed around

like a wet rag by every minister this government has had since 1945. It has been the sick dog that nobody wanted; give it to the other fellow. Each one has made a greater mess of it. Here we find ourselves in a great era of prosperity saying that we must charge the man who wants to build a home in Canada more interest. We must curtail these ambitious persons. On the one hand we talk about our progress and our wealth, the position Canada holds in this world, and on the other hand we are formulating the idea of burdening the home owner. That is one reason I say the government should not be in power today, but it is not the only reason.

Then we find a man who has borrowed money from coast to coast in this country. During the period of the loan he gets a very curt letter from his bank advising him that the bank is going to raise the interest rate. In the same note they give the reason for that, practically saying that it is on orders from your government. They are not going to live up to this contract; they are going to take a half of one per cent more on the loan that they agreed upon. They are going to put another burden on his shoulders during this great period of prosperity.

We are going to stop inflation. We are going to give the stockholders of the banks of Canada additional dividends. If they do not have the dividends they are going to have permission to buy up every vacant corner in Canada and build banks on them in order to squander the earnings forced upon them by this government. That is another reason why this government should not be in power.

There is too much control in the hands of the few banks in Canada. One bank has 600 or 700 branches across Canada. They write a letter to a young man who calls himself a bank manager in an area where we might discover oil or some other commodity in a year or two, and they limit his discretion. The manager may have knowledge of the integrity of the borrower, but they impose a rule of thumb by saying to the manager, "Your limit is $1,000." If he dares exceed it he loses his job, his pension and everything else. This does not enable a man to develop his brains. This is only a suggestion, but I would suggest that all banks in Canada should be made to have a director who resides within the province, in order that the director's nose would be close to where the money is needed. These banks are controlled from Montreal or Toronto.

A gentleman may live in Saskatchewan or Alberta because he believes that is the best place in which to live. He may go to the bank manager to borrow money but the bank manager will say, "No matter how much I feel you are worth, no matter how much I know from general observation that you will succeed, I can only lend you $500. I must send a letter down to head office to get you $625." It is a time for expansion in our great country. It is time a great country like Canada broke those shackles and went on with the prosperity that God gave us. Do not do like our forefathers did. There were many things we adopted from the old country that were great anchors and formed great foundations, and we should still remember them and use them for all they are worth, but we should develop some new ideas. This is a new country so far as development is concerned.

We should have an official in charge of immigration who is scheming and planning and successfully bringing immigrants of all classes and creeds into this country. We are short of labour in Canada today. We are lacking good competition owing to the shortage of labour. This country has been built largely on immigrants, the type who work. Surely when we are at the height of our prosperity that is not the time to tell the world we do not want them. We have missed the boat—

Mr. Byrne: That is why you just got back.

Mr. Ferguson: —on first class, selected people who have wanted to come here in the past 10 years. What is happening today? The people we wanted, the people we needed, are not permitted to leave their own countries because those countries are so busy. The present government had not faith enough to see or believe that this country would need manpower. Now we are curtailing construction. The brains that should be used in progress are now being used to curtail construction. Today the Minister of Finance spoke about 2½ per cent interest rates in New York and 3 per cent rates in Minnesota. What has Minnesota to do with the Dominion of Canada?

Mr. Harris: Because of the federal reserve bank. That is what I was talking about.

Mr. Ferguson: Let me say this to the Minister of Finance. The banks of Canada will not take and pay interest on millions of European dollars that want to come out here for investment purposes. That is the situation. I would ask the Minister of Finance whether he can tell this house right now if any foreign bank or citizen wishes to deposit with or lend to any Canadian bank the sum of $2 million, will they pay 1½ per cent on that money? Can the minister answer that question?

Mr. Harris: I will not answer it now.

Mr. Ferguson: I know they will not, and I believe the minister knows they will not, but he is not quite sure and therefore he is quite right not to answer. I know they will not take a deposit of $1 million from a foreigner and pay him 1½ per cent interest. We are short of capital and foreigners want to invest in this country, but the banks will not pay interest on the money. The Bank of Canada should take that money and lend it to further justifiable projects.

That is the reason I call this government a gumbo government. May I say to those who do not know what it means that in the western provinces there is a soil that when you get into it you get mired and you cannot go anywhere. Progress stops. This government reminds me of a democrat and a pair of horses on the prairie out in the gumbo. They cannot get out and they cannot go any farther. They are gumboed by prosperity. Their great effort is to get out of the prosperity by increasing the interest rates, by decreasing the loans and by working in with the United States and charging a rate of interest equal to that charged in Montana. Montana is not Canada. Montana is not enjoying the prosperity of Canada. Montana has not the riches Canada has. There is no resemblance in the two pictures.

We are a nation on our own, and it is time we took the bit in our teeth and went forward. I am a Canadian who loves this country; I am a Canadian who wants my people to go forward. Whenever I hear of a discovery of natural resources I say, "This is my Canada". When I see shackles put on people in any way, shape or form, and on young people who are the future leaders in this country, I say this government has been in office long enough and I shall do everything within my power to see that it goes out as quickly as possible.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, in supporting the motion of the Leader of the Opposition that this government has lost the confidence of the people of Canada, I intend to show that this is particularly true in the maritime provinces. The New Brunswick election of June 18 has come and gone, and a great many things will be read into the sweeping Conservative victory of that day. I suppose some will say it was the personality of the premier and the other candidates. Others may say it was organization.

Mr. Byrne: No; it was Tom Bell.

Mr. Bell: The hon. member for Charlotte has certainly an awful lot of nerve to make any reference at all to the New Brunswick election after what he said.

Mr. Winters: Mr. Speaker, I must rise on a question of privilege. The hon. member for Charlotte said not a word.

Mr. Stuart (Charlotte): Don't blow your top. I did not say a word.

Mr. Bell: All I can say to the Minister of Public Works is that he may get his own due in Nova Scotia some time this year or next spring. I do apologize to the hon. member for Charlotte, because I know he would be much wiser than to say anything.

Mr. Stuart (Charlotte): On a question of privilege; it is not that I would be much wiser not to say anything. The fact is, I did not say anything. I shall have something to say later.

Mr. Bell: Will you call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Speaker: Before allowing the hon. member for Saint John-Albert (Mr. Bell) to resume his speech, it has been brought to my attention that this afternoon while participating in this debate the hon. member for Rosetown-Biggar (Mr. Coldwell) made some reference to myself when I was away from the chair. I asked for the transcript of *Hansard*, and I find that the hon. member for Rosetown-Biggar said this:

> I want to say that you, Mr. Speaker—
>
> Referring to the Deputy Speaker.
>
> —were in the chair and the Speaker—
>
> Referring to myself.
>
> —also occupied the chair during part of the remarks of the Leader of the Opposition and while I am glad the Leader of the Opposition was able to place on record the editorials to which he referred, I say that in placing those editorials before the house and putting them on the record the rules of the house were clearly violated and neither you nor Mr. Speaker—
>
> Talking about myself.
>
> —dared to rise and interrupt the Leader of the Opposition and call him to order.

I notice that just prior to that the hon. member for Rosetown-Biggar, while the Leader of the Opposition was speaking and was quoting from the printed *Journals* of the Senate, asked:

> What time did the Senate adjourn?

I did not hear that interjection by the hon. member for Rosetown-Biggar, which occurred

much prior to the time the Leader of the Opposition began quoting from editorials, the first quotation being from an editorial in the Toronto *Daily Star;* therefore, not being in the house, how could I have attended to a violation of the rule and how could I have not dared to rise and interrupt the Leader of the Opposition and call him to order? I should just like to clarify the record in this respect.

Mr. Bell: Mr. Speaker, before supper I did not do very well—

Some hon. Members: Hear, hear.

Mr. Bell: —in my reference to an interruption. I confused the Lunenburg twang of the Minister of Public Works and the American-influenced drawl of the hon. member for Charlotte with a well-known interrupter from the western provinces, and I wish to apologize for referring to them in that regard.

As I was saying, however, the New Brunswick election was perhaps not a great surprise but it did show the feeling we have in New Brunswick toward the interest of the present federal government. No individual, with the possible exception of the premier, had a great bearing or influence on the results, and I think there was a noticeable trend as the election approached toward the attention or lack of attention we get in New Brunswick and the maritimes generally from the federal government.

If an election were called, Mr. Speaker, as is suggested by the Leader of the Opposition in his motion, I say that New Brunswick, and I think the other maritime provinces, would vote against this government and its so-called policies. It is not so much the discrimination and the lack of attention, perhaps, as the runaround we get with our proposals. Then afterwards comes the old salt in our wounds treatment, and it is rubbed into us as we go along trying to catch the elusive bait. It is somewhat like losing a deposit at election time when you know you did not have a chance anyway.

There is some history to this and I could go back over quite a few years, but the point I have in mind is illustrated very nicely by a statement made by the Prime Minister recently to the labour convention at Toronto. I was at this convention sitting there listening to his remarks on labour, and all of a sudden out of the blue came a reference by the Prime Minister to the maritime economic situation. I do not have the exact report, but the press quotes the Prime Minister as using these words:

> . . . economic redevelopment of the Atlantic provinces deserves consideration.

That was the first reference; later on the Prime Minister said:

> . . . special measures should perhaps be taken to improve the economy of the Atlantic provinces. This merits and is receiving attention from many of us. However, the initiative and the ideas, the energies and the determination to accomplish this redevelopment cannot originate in other parts of Canada; they must come from the Atlantic area.

The first part, where the Prime Minister recognizes the fact that we do need consideration in our economic development, is appreciated. We marvel at the innocent candor of it; we marvel at the fact that the Prime Minister is so late in recognizing this need; we wonder where his advice has been. We appreciate that these are the words of the Prime Minister, and the intention must be taken for granted. The respect the Prime Minister held at that time was possibly a little different from what it is now, but I have no quarrel with the thought behind those words.

The second part of the statement does give me some difficulty. First of all there is the fact that the Prime Minister suggests that we do not have and have not shown the initiative and energy in the past; that is confusing to me, and I could not let that part of his statement go unchallenged. There is also the fact that all the initiative must come from the maritimes rather than Ottawa itself showing some interest; that is another part of his statement the tone and inference of which I do not like. There is the further implication in his words that we must again come to Ottawa, when we decide what we have in mind, with our hat in hand. I do not like that principle, Mr. Speaker.

When the proposal was made and when we heard about it in the maritimes, there was generally a good response to it and it was a non-political response; I want that on the record. The premiers of all the provinces have shown a willingness to get together to see what can be done. They take this as a good omen for the future. The various boards of trade, the maritime transportation commission and A.P.E.C., the new Atlantic provinces economic council, have all increased their own interest as well. Even the few Liberals who are left in the opposition in New Brunswick have shown an interest in this and have gone on record as supporting it. I repeat, Mr. Speaker, I cannot let the latter part of the Prime Minister's words go unchallenged when he suggests that energies and initiative have been lacking in the past, and that we must come again with our hat in hand to Ottawa.

I ask the house tonight, Mr. Speaker, has the Prime Minister not heard of our efforts in the past with respect to various phases of

federal aid? Has the Prime Minister not heard of Passamaquoddy, that project between New Brunswick and the United States that harnesses the tides which would give us power, the dream of the fabulous Dexter Cooper of the 1920's? The United States government have not followed along as well as they should, but they are moving on it. Canada now is forced to take part at least in investigations of that project.

Has the Prime Minister not heard of the Chignecto canal project, that shortcut between Nova Scotia and New Brunswick that would mean so much to coastwise trade, that project that has been talked about since the late nineteenth century?

Has the Prime Minister not heard of our efforts to obtain atomic power plants in the maritimes? Nova Scotia, hard up as it is for power, approached the federal government very early in the proceedings with a request that it be given first consideration for an atomic plant there. New Brunswick is on the list, too, but what happened? It went to Ontario again. We are still on the list.

How about the dominion-provincial conference? Does the Prime Minister not remember the proposals we made there? Nova Scotia and New Brunswick again were in substantial agreement on the fiscal need factor. They asked only that the income of the maritimes be brought up to 85 per cent of the national average. Surely that is not too much to ask. That was another proposal about which it would appear the Prime Minister did not hear.

How about the coal industry and the efforts that have been made by Nova Scotia to obtain some help there? How about the request that we have made so many times for protection, for the protected industries to use Canadian ports instead of New York and other United States ports? How about the request we made for consideration for defence industry? Has the Prime Minister not heard of those proposals? Does he suggest, in his words to the labour convention at Toronto, that we did not make efforts during the war and afterward to obtain some defence industry?

Then, of course, there are the various appeals that have been made by the members from the maritimes over the years. I think those words are almost an insult to the hon. member for Royal (Mr. Brooks), 21 years here, speaking time and time again of the various needs. Yet it would appear that the Prime Minister had never heard of any of them, when he said at the Toronto convention that the initiative and energy must come from ourselves.

Then, of course, there is the final red herring and the final smokescreen with regard to the request of the New Brunswick government to obtain much-needed financial assistance for its power development. I refer specifically to the Beechwood project. I am going to take a minute to dwell on this, to show the way this government has confused and misled everybody with respect to this. We came up here in 1952 or thereabouts with this Beechwood proposal. True, we may not have been definite at that time. It was impossible to be definite about some of the various financial requirements that we might have, but it was an unpartisan approach. We gave credit to the old Liberal government in the province, which made some of the initial investigation.

We came here, we thought we saw the right people and we did the best we could. The thing has gone on and on. It reminds me of a fisherman who has a baited hook. Just as we get up to it, it is pulled a little further away and we lose sight of it. Then of course, the bait has been changed on the hook, and there have been different fishermen. I come to three statements that I think are pertinent and show the confusion that exists. They show the way the maritimes are misled and mixed up in these matters. We came up here with this Beechwood project, a project that is similar to the seaway and the pipe line. We have been all through that. This is the treatment we got. There were no efforts made in the house by the responsible ministers from New Brunswick or from the other parts of the maritimes on the treasury benches. The first we heard about it was in a radio broadcast made some two years ago by the Minister of Labour, and this is what he said about our request.

> Labour Minister Gregg told New Brunswick by radio Sunday the federal government can't help the province finance the Beechwood hydroelectric project on the St. John river.
>
> He said in his report from Parliament Hill that since confederation such matters have been reserved to the provinces.

There is the first reference. The Minister of Labour, our representative from New Brunswick in the federal cabinet, fell back on constitutional grounds.

The next reference that is important came on January 26 this year, when the hon. member for Gloucester (Mr. Robichaud), asked a question of the Minister of Northern Affairs and National Resources (Mr. Lesage). I shall not go into the question, but it dealt with the possibility of obtaining co-operation, and particularly financial co-operation, in the development of the Saint John river. The Minister of Northern Affairs and National

Resources at that time fell back on the fact that we had not made a substantial request. I have the latest request here, and it certainly seems definite to me. That was another red herring and another act of confusion.

The final outrage in the whole treatment by the cabinet of this serious request of ours, which meant so much for our future, was given by the Prime Minister on May 8 in answer to a question by the hon. member for Royal. The Prime Minister at that time—I do not know whether it was through ignorance or in a deliberate attempt to confuse the issue again—referred to the fact that a loan had been undertaken. There has not been any loan undertaken by anybody, as far as I can find out, in connection with Beechwood. Then the discussion went on with respect to the loan for the Beechwood project. The Beechwood project has not been financed; the provincial government have gone ahead with it but they are meeting the cost from year to year out of their ordinary capital commitments.

I say that because I think it shows the confusion this government has always attempted to convey in connection with any legitimate requests of the maritime provinces. I mention this seriously because I feel that it is the reason there is such growing unrest in the maritimes against the policies of this government.

All the time the ministers were making these statements, the deputy minister of finance, in open letters to the government, was suggesting that it was economically feasible that Beechwood be proceeded with. Then the other part of the government which deals with such matters, the joint commission headed by General McNaughton, had this to say. In the committee on external affairs last year General McNaughton said that, as an individual, he saw no reason why Ottawa should not help New Brunswick in obtaining power. He said:

> After all, what have we got confederation for?

These are the reasons why, if an election were held tomorrow, the people of New Brunswick would show their indignation. Then I have another quotation from General McNaughton yesterday:

> The rapid construction of Beechwood following the recommendation of the international joint commission was a courageous act.

He gives us credit. A servant of the crown gives us credit for going ahead and attempting this development on our own. I suggest that this new statement the Prime Minister has made is another smokescreen and another red herring. We are taking advantage of it because we do not want to be accused of missing anything. I hope there is sincerity and good intention behind it, but I say to all the members in attendance this evening that if this house were dissolved tomorrow and an election held, the province of New Brunswick would vote 100 per cent against this government and the lack of attention they have given to our proposals. I would be willing to wager that the other maritime provinces would vote substantially the same way.

An hon. Member: Put up your money.

Mr. Bell: What is the reason behind this, Mr. Speaker? There is only one reason. The government has failed to recognize that Canada's resources should be developed by Canadians in every part of Canada. That is the crux of the whole complaint. There is a serious undertone in the air in the maritimes today. It is the reason Premier Hugh John Flemming was returned in the New Brunswick provincial election last week. He recognizes the principle that this government does not appreciate for one minute. That principle concerns the development of the resources of our province. The federal government does not appreciate that it should assist in such development in every part of this country.

The principle was established when we assisted jointly with the trans-Canada pipe line. It was also enunciated in the same degree when we went along with federal assistance to the St. Lawrence seaway. We have come forward now with our request, and it bears repeating and repeating because some people here cannot seem to understand what we want and they seem to throw up roadblocks and smokescreens. We want the same consideration in our part of the country that these other sections of the country are now receiving. I say that has not been given to us.

I go along with the motion of the Leader of the Opposition that the house should be dissolved so the people can voice their indignation against such sectional, discriminatory policies. This is the same old Liberalism to me. I do not care if it is Liberalism in New Brunswick or Liberalism across Canada. It is that Liberalism that thrives on sectionalism, on playing one part of the country against the other. We saw it in the election in New Brunswick. They pitted Saint John against Fredericton, one end of the country against the other, and when they attempt to do it in Canada by assisting in developing one part and not developing others it has the same old smell to me.

Finally, I say the government are on the wrong track. They refuse to recognize that this is a great country. We have a great future, and we have to go along with it. If

the maritimes only want 85 per cent of the national average income I say they should get it, and we are going to voice our opinions this fall if this motion does not go through.

Mr. Speaker: I feel I must say a few words. The Leader of the Opposition made a speech this afternoon, part of which I listened to and the other part of which I have read. He spoke about Senate reform. He spoke about proceedings in the Senate and proceedings in this house, and concluded with a motion which reads as follows:

> In the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible.

I have listened reverently to the speech just made by the hon. member for Saint John-Albert. He spoke of several projects which are of great interest to his native province and to the maritime provinces generally. I did not hear him say anything about the main subject which led to the motion that was moved as a grievance. I heard him refer to the Beechwood project, which I think was one of the hydroelectric projects included in a grievance motion earlier this session together with other similar projects, and therefore a matter which had already been discussed. But I will grant him this, that there might have been some new facts come to light since and therefore it might have been worth while airing them. But I am in the same position as I was in 1955. I see that citation 467 says:

> Whenever an order of the day has been read for the house to resolve itself into the committee of supply or the committee of ways and means, the motion "That the Speaker do now leave the chair" must be proposed, except on Thursday and Friday as provided by standing order 28.

That part has been changed by a new standing order. Anyway, I continue:

> When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance, and it is not necessary to move an amendment for that purpose; provided that the discussion and the amendment, if one is moved, shall not relate to any decision of the house during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the committee of ways and means, nor to any matter placed on or whereof notice has been given in the order paper.

Then citation 468 reads:

> It sometimes happens, on the motion that the Speaker leave the chair for committee of supply, that members air grievances without moving amendments. A member may speak on railway rates, another on naturalization, and so on. Five or six different matters may then be brought to the government's attention. But no member is allowed to speak more than once on the motion. He cannot discuss all the matters which may then come up, and when he has spoken on one of them he has exhausted his right to speak to the motion before the house, namely, "That the Speaker do now leave the chair".

It appears to me that if we are to follow the subjects that have been introduced so far during the debate, which is supposed to be one on a specific grievance, we can speak about Senate reform, we can speak about proceedings in this house and the proceedings in the Senate on the pipe-line bill, we can speak on all the projects which are of interest to the maritime provinces, as outlined by the hon. member for Saint John-Albert, and there may have been other hon. members who have spoken and discussed other matters but whom I did not have the chance to listen to because I was absent from the chair from 3.30 until six o'clock.

Hon. members will remember that in 1955 the hon. member for Prince Albert made a speech on wheat and concluded with a motion having to do with the South Saskatchewan river dam. Members were puzzled. They did not know what they were going to speak about, whether they could speak on the South Saskatchewan river dam or on wheat or on both subjects at the same time. An arrangement was reached at that time whereby we would deal with the river dam project and later with wheat. That discussion of order, as it took place, appears at pages 3790 and 3791 of *Hansard* of May 16, 1955.

I expressed the view at that time that we should not get into another budget debate. I realize that this is the fifth supply motion and that there is just one left. Supply motions are opposition motions; they are want of confidence motions. There is no doubt in my mind that this amendment, as it is brought forward at the moment and as it is being interpreted by those who have taken part in the debate, does take in too much territory. In other words, during the rest of today and tomorrow we can have on this motion a miniature budget debate, and all this for the purpose of calling an election.

There is another point I want to warn the house against, and it is the terms of the motion itself. Should this motion carry the house would resolve that in the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible. I do not make this a major point, but I submit it to hon. members.

There are certain prerogatives attached to the office of the Prime Minister, and one of those is to advise that parliament be dissolved and a general election be called. According to the citations I have just read, is this matter, that is the exercise of the

prerogative of the Prime Minister, one which comes within the jurisdiction of the house or is it one which comes within the category of affairs within the administration of the government?

I have made these observations not for the purpose of ruling the amendment out of order and not for the purpose of curtailing the discussion, but merely to warn that in the future if a similar motion were to be made under similar circumstances, with a speech of a certain type leading to the motion and other members speaking on many other subject matters; if it should come up again I may be in a position to deal with it. I hope that in the meantime I shall have had a chance to study the situation as it is presented and perhaps make a ruling.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, while the last speaker was addressing the house I was of course reminded of the fact that both he and I are interested in certain parts of the country where there have been elections recently.

An hon. Member: Not with the same result.

Mr. Gardiner: While he had the privilege of assisting a government back into office, I had the opportunity to try to put one out, but was not successful.

An hon. Member: That is putting it mildly.

Mr. Gardiner: I took a considerable part in that campaign and was pleased to find, when I got back, that one of the important duties I performed while there brought forth quite an editorial in the local Conservative paper. I may say to begin with that the editor of the local paper is a personal friend of mine, in spite of the fact that we do not belong to the same political party.

He took the trouble to point out that I had been putting up bills. After all, putting up bills is an important part of a campaign, as a rule; and I must admit that I spent part of my time in putting up bills. But I had another matter in mind rather than just the matter of putting up bills. In the days when I came into politics first we had only two parties in Canada. When we put up bills our opposition left them up and when our opposition put up bills, we left them up. But in recent years we have had the experience that when we put up bills, they seemed to disappear; and I had the idea that maybe somebody took them down. Hence when I was out there in the campaign this time I took some equipment along with me and I put up a few bills myself. Then I drove around again the day after the election and I found that they were still all up.

I do not know whether or not it was some C.C.F. friend who reported back to Ottawa that I was out putting up bills and who might have been following me around, but I simply want to say that I am in doubt now as to whether the wind took the bills down in the past or whether somebody pulled them down. Those I put up—and I put them up in the proper way—stayed up. In that particular part of the country no C.C.F.'er was elected, so the bills might have had some effect.

The resolution before the house at the present time suggests that this government should go to the country. The motion of the Leader of the Opposition was as follows:

> I therefore move, seconded by Mr. Diefenbaker: "That all the words after 'That' to the end of the question be deleted and the following substituted therefor:
>
> in the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible."

Your last remarks, Mr. Speaker, remind me of the fact that our system of government sets up a method under which elections must be called. The fact is that the only one who can form a government is an individual in the house who can command a majority of the membership of the house. It does not make any difference whether they are elected as Conservatives, C.C.F.'ers, Social Crediters, Liberals or what. If there is any individual in the house who can command a majority he is entitled to form a government, and he does so.

At the present time an appeal is made—and one was made the other day—to the Prime Minister to call an election. Surely there is not anyone in this house who contends that there is any other person in the house who can command a majority except the Prime Minister.

An hon. Member: Go to the people and find out.

Mr. Gardiner: Judging by what has happened in the past I think he would have good reason for believing that there is not much likelihood of an election bringing about any different result, namely that after the election the present Prime Minister would be the only one who could form a government.

An hon. Member: Wishful thinking.

Mr. Gardiner: Hence nothing much is going to be gained by yielding to the suggestion that we have an election.

The motion is based upon some remarks which were made by the Leader of the Opposition. He referred to a debate which had taken place in this house, but I think he lived within the rules in not quoting the debate and not trying to say what had been said during the debate. Probably that was just as well from his point of view, because in the period that I was here while that discussion was taking place I do not remember that anyone on the other side of the house said much about the pipe-line bill.

Some hon. Members: Oh, oh.

Mr. Gardiner: Some of my hon. friends are beginning to look up their notes. If they said anything about the pipe-line bill, it was only for the purpose of hanging on it a point of order or something else in order to get a vote.

An hon. Member: Nonsense.

Mr. Gardiner: That is one reason that is referred to as giving background for the calling of an election. The other is the possibility that something might have happened over in the Senate that gives some reason for discussion.

An hon. Member: Something will happen over there.

Mr. Gardiner: Let us see just what happened.

An hon. Member: Nothing has happened there in years.

Mr. Gardiner: Here is one thing that happened in the Senate:

> If the house is not agreeable to third reading now, I suggest that we meet tomorrow morning at eleven o'clock. I do not want the charge to be laid against this house that the bill was forced through in one day. That just is not done.

Those are the words of the leader of the opposition in the Senate.

Mr. Fulton: They forced it through in two days.

Mr. Gardiner: Then he went on to say this:

> With the consent of the house may I say a word before we adjourn? I wish to thank the leader of the government for the splendid way in which he has conducted this committee of the whole. It has been a very great pleasure to all of us.

Apparently the leader of the opposition in the Senate does not agree with the Leader of the Opposition in this house. He maintains that the discussions were what was expected in the Senate, and he thanks the leader of the government in the Senate for having so conducted those discussions. I venture to say that the leader of the opposition in the other place is not so much concerned about an election as is the Leader of the Opposition in this house.

This afternoon we listened to an outline of the democratic system as we enjoy it in this country, and the opinion was expressed by the Leader of the Opposition and by some others who have spoken that the conduct of the house during a certain period was not such as to inspire confidence in our system in the minds of people in Canada or outside of Canada.

In making these statements the Leader of the Opposition referred continuously to the subservient members of that part of the parliament of Canada, subservient to the members of this house, subservient to the members of the government. I submit, Mr. Speaker, if there is any term that should not be applied to the members of the Senate, it would be that term. I am inclined to think that during most of the discussion on the point, what we have considered to be the rule laid down with regard to mention of what goes on in the other place, although it is not a hard and fast rule, has been lived up to by members in this house and members in other houses where you have a secondary chamber. They do not make references to individuals or to the house as a whole such as were made here this afternoon. I wish to take some objection to those remarks having been made.

Our democratic system, as everyone in this house knows, is based upon the experiences they have had in the centre of the empire, in Britain. Those experiences run over a long term of years. The statement is made that our system of government is built up from precedent to precedent, and that is true. Practically everything which takes place in this house or in the parliament of the United Kingdom has also taken place at some previous time, and whatever is proper to do now has been established as a precedent. We go on doing things in accordance with those precedents.

So we have here the Commons and the Senate, and in the Commons we introduce legislation. Sometimes we introduce it in the Senate, but in this particular case it was introduced in this house. During the discussion members have been raising some objection to the fact that in the debate on the pipe-line bill the opposition took one point of view and the government party took another. This is the common thing in a house constituted as this is. On this occasion, of course, two of the opposition parties opposed the action taken by the government and one party agreed. The Prime Minister, therefore, in this particular action had more

support than he has on ordinary questions that come before this house. On other occasions he has only had the support of the members of the Liberal party. He can only rest assured that he is going to have that support in the future.

Before the hon. member for New Westminster spoke on behalf of the Social Credit group just before dinner with regard to the matter there were very few, if any, on this side of the house who knew just how the Social Credit group might vote on this particular question. In other words, while they have supported this side of the house on the bill itself there was no particular reason why, on a motion of want of confidence in the government, they should be bound to support the government now. But at least one member of that party has indicated here that he intends to do so. He is not going to support the motion that this parliament be brought to a close and an election held. I presume there will be others who will do the same. I repeat, therefore, there is no indication in this house that the Prime Minister cannot control a majority of the house in connection with this or any of the other questions that may come before the house in the immediate future.

The opposition has stated time after time in this debate that the rules are made to protect the opposition. Well, that may be correct; and I will agree that they need some protection, Mr. Speaker. The rules may be made to protect the opposition. I think, as a matter of fact, they are made to protect all the members of the house.

Mr. Ellis: They are broken to protect the government.

Mr. Gardiner: It would require a very peculiar kind of rule to protect the hon. member for Regina City (Mr. Ellis). He just rushes in where angels fear to tread. Nevertheless he has a right to do whatever he feels like doing in the house, I suppose, as long as he stays within the rules. The rules of this house are simply based upon common sense. One does not need to study the rule book too much to know whether he is in order or out of order.

There are one or two members on this side of the house who may take offence at what I am going to say. I have sometimes thought if Cecil Rhodes had his life to live over again he would not send Rhodes scholars over to Oxford. One of the reasons I have come to that conclusion is that in watching the actions of certain members of this house I have noticed that the more time they have spent in a university the more difficulty we have in understanding just why they do certain things. As a matter of fact the only fellow who has done this, and whom I can really understand, is my friend the hon. member for Fort William (Mr. McIvor). He was in college when I started, and he was still there when I came out.

Some hon. Members: Oh, oh.

Mr. Gardiner: However, that was not because he was not passing his examinations but because he went through an arts course and then went through a course in theology. He was there just twice as long as I was because he went through that particular course.

I see my friend on the other side of the house who has done a similar thing, and I see another gentleman sitting across the aisle from him who was a Rhodes scholar. I am reminded that both of them spent most of the early part of their lives studying the rules in mock parliaments in a university somewhere, and they have been applying that idea to the running of this house during this session. You know, when we used to have mock parliaments in university—it does not make any difference where it was—our chief objective was to learn the rules. There was not anything else we could do anyway. We could not pass any laws that had any effect upon anybody, so we made a study of the rules by moving this and moving that, moving points of order and keeping everybody het up over something.

Mr. Murphy (Lambton West): You had closure, then, I suppose.

Mr. Gardiner: We had a demonstration of that in this house during this session. It was nothing more than that. I must say that I did not stay for all of it, but I did stay for half of it. During the time I was here I did make a speech on the bill, and I am sure none of my friends opposite read it because they were not interested in the bill at all. They were only interested in these points of order that they could bring up in order to take up all the time.

Someone says that public opinion was such and such as a result of this. Well, not being here but being out in the country I had a better opportunity of learning what public opinion was on the question. I had occasion to talk to people from time to time and learn what they were really thinking. You know, when I did discuss these matters with people from time to time I found they did not hold the same opinion as the hon. member who just sat down thinks they hold. I must say that out in the country where I was they did not vote for the government party either.

I do believe, though, there is a considerable number of people in Canada who believe that

the old tradition, which is historical in this country, still lives. This old historical tradition is that it is easier for a provincial government to get elected when the federal government is on the other side of the fence. I think that is true, and has been true over the years. Probably our friends who are suggesting that because certain things happened over the country in connection with these provincial elections, that indicates some reason why the situation which exists is still going to exist when we have another federal election.

I am quite sure that is not the case. My hon. friends would be well advised not to build up their hopes too much, because an election will roll around soon enough. I am quite sure it will come a few months earlier than they expect it, and a few months earlier than is good for them when it does come.

We have had these men asking the government to resign, and my friends keep shouting "closure". What is the situation with regard to rules? There was a considerable time in different parts of the world when they copied the British form of government, whether it was within the commonwealth or outside of it, and tried to carry on in the same manner as they did in Britain. In all these countries they had rules, and those rules were made, as has been said, to protect the interests of the opposition. But in all those countries they eventually found that the tendency to take advantage of situations which might develop is not confined to government parties. It can be just as prevalent among opposition parties, and so other rules had to be added.

When people on the other side of the house talk about the rules having been used for certain purposes, they lose sight of the fact that such procedure as that was followed by practically every country where there is a democratic government. Some procedure of closure on debate is in force in most of the legislative bodies of the world, notably in Great Britain, Italy, France, Germany, The Netherlands, Portugal, Austria, Belgium, Denmark, Spain, Switzerland and in the United States House of Representatives.

Now, this is a pretty complete list of the nations that have democratic governments and all of them have found it necessary to have a closure rule. Why have they found it necessary to have a closure rule? They found it necessary to have a closure rule because eventually, sooner or later, chaps like those on the other side of the house who are yapping all the time get into the house, and when they do they think it is their special privilege to hold up the proceedings of the house. They say, "If we can just hold it up long enough then we will be able to drive the government to the country and have an election. There are such a few of us here anyway that we cannot hope to be any worse off than we are now." When you get people of that kind in a house you cannot have government in this country, or in any other country, if it is not made possible for the majority who were elected in a previous election to carry on within the legal term as long as the Prime Minister has the support of the majority within the house.

Every speaker on the other side of the house who has been on his feet today, with the exception of my hon. friend from New Westminster, has referred to the Prime Minister as having gone through some rather difficult times recently. Well, may I say, Mr. Speaker, there is no one in this house who knows better when to speak and when not to speak than the Prime Minister. When a lot of people are falling over themselves in an effort to say nasty things about the Prime Minister he knows that the public in this country know him better than they do. He is able to sit here in his seat and listen to their twaddle no matter whether it means anything or not, when they are trying simply to use up the time of the house, as they did on the occasions referred to. I do know what happened in this house while I was here, anyway, and I understand it was worse after I left. While I was here the Minister of Trade and Commerce rose in his place and outlined all the facts in relation to this bill.

Some hon. Members: Oh, oh.

Mr. Gardiner: Of course my hon. friends do not know, because they did not listen to him; and they will not know when I am through, because they are not listening, either. When they go back to the country the people will know that they do not know what they are talking about. But, anyway, the Minister of Trade and Commerce gave a full outline of the bill, what it meant and what was going to be brought before this house on second reading. Three days later I myself had the privilege of speaking, and if you read that speech you will know far more about the pipe line than you know now. After that a considerable number of the members on our side of the house made speeches in which they discussed the bill, but others did not seem to be interested in those discussions, and they went on discussing something else. Many other Liberals spoke on the bill.

Finally we got into committee, and it was realized that it was necessary to put through the different sections of the bill one after another and then bring the whole matter before the committee.

Mr. Murphy (Lambton West): What about the first three clauses?

Mr. Gardiner: My hon. friends on the other side of the house thought they could block it, that they could make it absolutely impossible for this house to do anything. If they did that long enough they would do one of two things; they would either kill the bill that everybody in this country wanted or they would drive this government to the country. That was the objective and, of course, the reason for that was suggested here this afternoon two or three times. The Leader of the Opposition mentioned it. He said, "We drew blood last summer when the Minister of Trade and Commerce brought his bill down and then went away from the house for a time."

Mr. Murphy (Lambton West): Fishing.

Mr. Gardiner: "We carried on a campaign and with such effect that we were able to force certain things to be done."

Some hon. Members: Hear, hear.

Mr. Gardiner: When you give an opposition of the kind we have here a taste of blood of that kind they are just like a pack of wolves, they are back for another taste of blood, and that is what they have been doing during the last while. They keep on saying, "What we did once we can do again". That is the reason there is a closure rule in all these parliaments of importance around the world; that is the reason there is a closure rule here. The fact that it has been applied only on a few occasions does not indicate that this house has always been of the same type that we have here at the present time; it indicates that it has been the very opposite. It has been used on only four occasions before. It has had to be used on the fourth occasion this year. Three of the four times the Conservatives used it. They brought it in the first place as a government in self-protection against the kind of thing my friends are talking about.

Mr. Dufresne: After a long discussion.

Mr. Gardiner: After a long discussion, yes, but not any longer discussion than we had during this session.

Mr. Dufresne: We never had any.

Mr. Gardiner: Just wait. My hon. friend chipped in once in connection with butter and took some of it out of *Hansard*.

Mr. Dufresne: You did.

Mr. Gardiner: Later I was accused—

Mr. Dufresne: You did.

Mr. Gardiner: You did, too. Do not make any mistake about it. I read *Hansard* before you took it out.

Mr. Dufresne: I did not. Mr. Speaker, on a question of privilege, I absolutely deny what has just been said by the Minister of Agriculture. There was only one member in this house who had the nerve to take out of *Hansard* what he said, and that was the minister himself.

The Acting Speaker (Mr. Applewhaite): Order. The hon. member has denied it and we must accept his denial, but that is as far as he is entitled to go on a question of privilege.

Mr. Gardiner: I must repeat that I read *Hansard* before and corrected my own speech, and I know he corrected his.

Mr. Dufresne: Mr. Speaker, I rise on another question of privilege, and I ask one privilege from the Chair. I ask that the Minister of Agriculture withdraw exactly what he has said because I never tried—

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Dufresne: I never tried—

The Acting Speaker (Mr. Applewhaite): Order. I rose myself on the question of privilege which affects the house as well as the hon. member. The hon. member for Quebec West has made a definite statement as to what he did or did not do. The house and the members of the house must, by the rules, accept that statement. I have not the citation before me, but it is well known that an hon. member speaking of his own personal actions, as known to himself, must have his word accepted by the house.

Mr. Dufresne: Does that stop the Minister of Agriculture?

Mr. Nicholson: On the question of privilege, the Minister of Agriculture must accept the statement made by the hon. member.

The Acting Speaker (Mr. Applewhaite): I have made it perfectly clear, I hope to the Minister of Agriculture and to the house, that the statement made by the hon. member for Quebec West must be accepted by the house. I do not think it is necessary to pursue the matter further.

Mr. Dufresne: Mr. Speaker, on the same question of privilege, you just said that the minister has to accept what I have said. I have spoken the truth and I want to repeat that I have never gone and made any change in *Hansard*.

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Dufresne: Now, Mr. Speaker, if you will allow me, the minister—

The Acting Speaker (Mr. Applewhaite): Order, please. I think the hon. member is perhaps now going further than he should. The Minister of Agriculture made a statement—

Mr. Ellis: And he repeated it.

The Acting Speaker (Mr. Applewhaite):— about the hon. member for Quebec West which the hon. member for Quebec West rose on a question of privilege to deny. The Minister of Agriculture indicated that he had not accepted that denial and I rose before the hon. member for Quebec West to tell the Minister of Agriculture and the house that he must accept it; and that, I submit to the house, settles the question. There was a statement made by the hon. member for Quebec West as to his own actions, which must be accepted by the hon. members of this house.

Mr. Dufresne: And withdrawn.

Mr. Gardiner: I accept the statement made by the hon. gentleman, Mr. Speaker.

Mr. Dufresne: And you withdraw.

An hon. Member: That is enough.

Mr. Gardiner: I am not withdrawing; I shall be back with it later, at some other time.

Mr. Dufresne: I am ready to come back any time you are; any time you feel like it.

Mr. Nicholson: Mr. Speaker, on a question of privilege—

Some hon. Members: Sit down.

Mr. Nicholson: Mr. Speaker, I am sure no hon. member should make that sort of correction, and the minister must withdraw the statement.

The Acting Speaker (Mr. Applewhaite): Order. Let me tell the hon. member who just interrupted, or who just raised this last point, that I stated that the minister must accept the statement made by the hon. member concerned. The minister has risen and said he has accepted it, and the question is closed.

Mr. Dufresne: He said he was going to come back with it.

Some hon. Members: Go ahead.

Mr. Gardiner: Well, Mr. Speaker, the matter I was dealing with was the fact that we had closure and the reasons we needed it, and I am very glad to have the demonstration of the need for it that we have just had.

The members of the government, of course, are responsible for bringing down legislation. They are responsible for bringing in the votes that are necessary in order to finance the operations of this country, and if a few members of the opposition have conceived the idea they can absolutely prevent that from going through they have ruined every vestige of the fundamental principle that underlies our democratic system of government, namely the right of the majority to rule.

There has to be some one form of government in any country. Under the old form of government we had absolute monarchs. Under the democratic system the majority of those in the house have the right to form a government and see to it that it stays there as long as the law of the country makes it possible for it to stay. In this country that is five years during which they can stay if they can command a majority. The one individual who has the right to announce that decision either before the house or to the country is the Prime Minister himself, concerning whether or not he can command a majority, unless there is a vote called in this house as there is now.

If my hon. friends can command a majority on this vote when it is taken, as it will be under the rules tomorrow night, of course they can have an election; but if the Prime Minister can command a majority in this house then, of course, they cannot have an election and we will go on until such time as the Prime Minister says he thinks we should dissolve and go to the country.

That is our system of government, and if you are going to make that system of government operate in a manner that gets money voted for the carrying on of the activities of government in this country, and if you are going to be able to carry on in a way that enacts the laws that have to be enacted, then the government must have some authority within the rules of the house in order to take care of a situation such as that which developed here a few weeks ago in connection with the pipe-line debate.

I am quite sure my hon. friends—if and when they ever get on this side of the house—will take exactly the position I am taking now. It is the only means by which you can set up a government as was suggested by my hon. friend from New Westminster. This is the only way by which we can maintain a government in power to do the things the people ask the government to do.

Well, there was some laughing done and some comments were made by the members

of the opposition with regard to the remarks which were contained in the speech of the member for New Westminster. That speech was sound in every sense. The only thing that was not stated by the hon. member—and though I do not believe he stated it I am sure he had it in his mind—was that that is a matter which rests with the Prime Minister during whatever time he can command a majority in this house; and that is the position we are in today.

If we are sitting here passing resolutions or attempting to pass resolutions based upon some things that happened in carrying out the obligation which the government had to carry out in order to put through legislation, we are simply begging the question and not getting anywhere so far as discussion is concerned.

Coming back to the matter of closure, the rule of closure is absolutely fair in every way.

Some hon. Members: Oh, oh.

Mr. Gardiner: Well, my hon. friends will think differently if they are ever over here. Every government that has been here since 1913 thought so, and the only time the Liberals ever used it before was when we were sitting here with a majority of only one or two and we had to use it in order to get certain measures put through under those circumstances.

An hon. Member: You did a good job this time.

Mr. Gardiner: Others have used it under quite different circumstances, and I am not criticizing them for doing so. The words of Sir Richard Cartwright have been quoted here from statements he made when he was in the government of Canada a long time ago; and because he represented the part of Ontario I come from I have some respect for his opinions. There were also quotations from statements made by Sir Wilfrid Laurier when he was opposed to the bringing in of closure and putting it on the statute books. I am sure if my hon. friends had been sitting on the opposition side of the house they would have put up the same kind of argument; but why not quote Sir Robert Borden who brought it in? Why not quote the others who used it as well?

An hon. Member: Not the way you used it.

Mr. Gardiner: I am not going to attempt to explain the actions of the Liberals during that time, or admit they were the same as those of my hon. friends now, but the Liberals have had to take all the blame because the only opposition in the house at that time was a Liberal opposition and any opposition that was raised was raised by the Liberal party.

Returning to the most recent use of closure, there had to be four motions of closure made in connection with this bill. When each one was made, no matter whether there had been little discussion or a great deal of discussion—

Mr. Dufresne: There was none.

Mr. Gardiner: —the house had two days in which to discuss that particular matter on each motion of closure, and in addition to that they had three hours added on to the last day, more hours than they had at any other time. Therefore when closure was moved all anyone had to do was discuss the pipe-line bill for two days from every point of view, and then the vote would take place at the end of those two days. After they got through with that they could start all over again and cause some obstruction if they wanted to, which they probably did. When the next motion was raised they had another two days in which to discuss the pipe-line bill, but they refused to discuss the pipe-line bill.

Returning to my suggestion that we have had too much of a mock parliament here, I might point out that someone was spending his time figuring ways and means of holding up the passing of this bill until such time as it would be of no value to this country. They kept on with that and wasted the first four hours; then there was another motion made for closure and the third motion gave them another two days in which to discuss the bill—

Mr. Ellis: Who wasted five years?

Mr. Gardiner: My hon. friend wasted a lot of it, I might say. As I was saying, they did not discuss the bill at all. Instead, they discussed points of order, and every time a point of order was moved in committee the chairman could not put the point of order to the committee, he had to step out of the chair—

An hon. Member: Time.

Mr. Gardiner: There is no time limit to this.

An hon. Member: Closure again, eh?

Mr. Gardiner: The chairman had to step out of the chair and move over in front of the Speaker and read to him the motion that had been made by some member of the committee, after which he called the Speaker to the chair. The Speaker then put the motion and enough members got up on the other side of the house to call a vote, and when

the bell rang nearly all the members on the other side of the house walked out. When they walked out I do not know where they went, but when they came back they were quite talkative, and they continued to talk a lot here. That may only mean that they just went and had a consultation and had more to talk about. I do not put any other interpretation on it.

Mr. Nicholson: On a question of privilege, the minister has cast a reflection on hon. members on this side of the house. He should either clarify or withdraw.

Mr. Gardiner: The hon. member has a bad conscience. I did not say anything in that way. I simply said—

The Acting Speaker (Mr. Applewhaite): Order. I wonder whether the hon. member for Mackenzie (Mr. Nicholson) would mind telling us the expression to which he raises objection.

Mr. Nicholson: The minister is well aware of the aspersion he cast on members on this side, and I suggest that he either withdraw it or clarify it.

The Acting Speaker (Mr. Applewhaite): I am asking the hon. member for Mackenzie if he will kindly advise the Chair what it is that he complains of.

Mr. Nicholson: He said something to the effect that hon. members on this side of the house left the chamber and, when they came back, they were much more talkative than when they left.

Mr. Gardiner: I said they were quite talkative.

An hon. Member: What is wrong with that?

Mr. Nicholson: I submit that is not a reference which should be permitted in this chamber.

The Acting Speaker (Mr. Applewhaite): I am sorry, but if that is the aspersion of which the hon. member is complaining I am afraid I could not rule that it was an unparliamentary expression. I am not ruling as to whether or not it was a fact, but I am ruling that it is certainly not an unparliamentary expression.

Mr. Gardiner: Well, anyway, they went out, and we all know how long it took to get them back. The two whips had to walk down to the door every time and stand outside while the bell was ringing, and they eventually came back and we were ready to have a vote.

An hon. Member: You were in Saskatchewan.

Mr. Gardiner: I was here for two of those votes, and I do not believe you were here. You stayed away after the margarine talk for some time. Anyway, the whips went outside the door; then they came back here together, one walked up that side and the other up this one, and then we had a vote. It just took about half an hour to go through all that proceeding. On the last or the second last day I was here they did that ten times, and I thought it was far more important for me to be hanging up bills in Saskatchewan than sitting here while that was going on, sitting in the house watching a bunch of fellows performing and trying to obstruct anything that came before the house. They did not start the obstruction there. I remember that back in the early part of the session, weeks before we got to this bill, my friends on the other side had this thing in their minds. The Minister of Trade and Commerce moved a motion with regard to bank loans, and how long did it take to get that through the house?

An hon. Member: Fourteen days.

Mr. Gardiner: I spoke for the second time on it 20 days after it was first introduced, trying to get it through.

Mr. Ellis: That is what we are down here for.

Mr. Gardiner: That is what you are down here for, but we are down here to see that legislation that is in the interests of the people concerned is put through the house. My hon. friend made a remark, and I took occasion at the time to remind him of the fact that there was going to be an election in Saskatchewan this summer, and I said to him that that question would not be discussed by the C.C.F. party, and it was not. It was discussed by the Liberal party, and every farmer in Saskatchewan who had a loan under that measure was an opponent of those who took that position in this house, and there were many of them.

Mr. Argue: Ten per cent.

Mr. Gardiner: The men who were talking here in the house were very quiet about that. But I am pointing out to the house that it took 21 days to get an obvious piece of legislation, the only kind of legislation that could do the job that was to be done, through this house. Why were they so anxious to hold that up? I know they were doing everything possible to lengthen the time until we got down to the pipe-line bill, when they were going to knife the government and finish the whole job.

Here they are moving a resolution of want of confidence based upon the actions of this

government at that time. I am sorry there is one gentleman who is not here this evening.

An hon. Member: Who?

Mr. Gardiner: The leader of the C.C.F. party.

An hon. Member: He was here this afternoon.

Mr. Gardiner: I know he was here this afternoon, but he ought to be here now. He does not like other people being absent. It would be a nice time for him to be here, because I would like to tell him something, and this is the time to tell him. I was addressing a meeting out in Saskatchewan a short time ago, and when I finished a young lawyer got up at the front of the hall, pointed at me and asked, "Is everything as true as what you said about the university?" I said, "Yes, everything I said about the university is true, and everything else I said is just as true." Then he asked, "Were you in the house when the pipe-line bill was up?" I said, "Yes, I was there for the first and second readings; I was there for four or five days until the second closure vote was taken." Then I said, "As a matter of fact, I made a speech. You ought to read it."

Then he asked me, "Were you there on the third reading?" I do not know whether or not he had it right. I have not checked *Hansard* closely enough to know that myself, but I heard the hon. member for Fort William this afternoon describe the scene, and I am quite sure I was fairly accurate in what I said in reply to my questioner. I would like to have my hon. friend hear it. I said to him, "No, I was not there for the third reading. If the scene was on the third reading, then I am very pleased I was not there. I am going to tell you why. Because apparently an old friend of mine, 83 years of age, according to the newspaper reports started toward the gentleman who got up from his seat and went to the mace and shook his fist at the Speaker of the house." I said to the audience, "If I had been there I would not have pulled Dan back, because I know Dan, and in spite of the fact that he is 83 years of age the debate would have ended about then. That was one scene in this house. Then, while he was standing there—and this is in *Hansard* so I can read it—

An hon. Member: Did you lose that seat?

Mr. Gardiner: No, we won that seat; by a good vote, too. Another member, from Winnipeg North, I believe, said in the house, and it is in *Hansard*, "Throw out the mace." That means, "Throw out the sovereign of this country"; that is what the mace represents. He said, "Throw out the mace." Well, if my hon. friends—

Mr. Knight: Mr. Speaker, I rise on a point of order and I do so in all sincerity. It may be a little academic, but I should just like to know your decision now as to whether the subject of the pipe-line debate and the subject of closure as applied are going to be allowed to be discussed by the other groups when the minister is finished.

Mr. Speaker: I am very glad the hon. member for Saskatoon (Mr. Knight) rose to raise the point. As I was listening to the remarks of the minister I was myself very conscious of the fact that if we start reviewing the proceedings in a previous debate already concluded we shall be spending our time repeating again and again what has taken place, and under our rules that should not be done. I just heard the minister seem to indicate that someone else, prior to his taking the floor, had referred to those proceedings. I do not know. As hon. members know, I took the chair at 2.30, left at the usual time at 3.30 to go to attend to other duties, and did not resume the chair until eight o'clock.

I said earlier that I do not want to curtail discussion, but surely that should not cover as much territory as to include reference to a debate already concluded. I have in mind, of course, that citation 244 reads as follows:

> A member may not speak against or reflect upon any determination of the house, unless he intends to conclude with a motion for rescinding it.

Then citation 245 reads:

> It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

Citation 246 reads:

> Besides the prohibitions contained in standing order 41, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:
>
> (a) refer to any debate of the same session on any question not then under discussion . . .

I think that we ought to restrict ourselves to whatever latitude may be given under an amendment which is so wide in terms that we can cover a great deal of territory. But that should not include references to debates already concluded. The minister may perhaps argue that he is not reviewing the debate itself but the proceedings, that is the motions that were moved or the application of certain standing orders. I would imagine that the reference to a previous debate would include that as well. If that is not his view

perhaps he could explain, but I would wish that he would come to my view.

Mr. Gardiner: Well, I of course have no objection to the general ruling, namely that I cannot quote from a preceding debate, but I did not. I quoted from a speech made this afternoon in this debate. As a matter of fact the words are not exactly the same, but they mean the same thing and they were said here this afternoon. I was quoting from the speech made by the hon. member for Fort William (Mr. McIvor).

Mr. Nicholson: In a previous debate.

Mr. Gardiner: No, in this debate this afternoon, while I was sitting here listening to him. I was not here during the previous debate.

Mr. Murphy (Lambton West): Two wrongs do not make a right.

Mr. Knight: On the point of order, the minister is up to his usual tricks. Of course he now admits that he was arguing on the basis of a speech that was made this afternoon, but he omits to mention that he has been talking about what took place in the house some weeks ago and, furthermore, things that took place when he was not here at all. May I say that I do not care what the minister says or what he talks about. I simply want to ensure our rights, so that if the minister proceeds along the course he is now pursuing we shall have equal rights in this house to discuss the whole question of the pipe line and the closure that took place.

Mr. Speaker: Order. The hon. member for Saskatoon has heard what I have said?

Mr. Nicholson: The minister has not.

Mr. Speaker: Does he agree that what I have said establishes the correct procedure?

Mr. Knight: Certainly.

Mr. Speaker: He indicates his acceptance. The minister may be referring to a speech by another hon. member, but because the other hon. member was not in order in referring to a previous debate does not establish his right to do likewise.

Mr. Gardiner: I quite agree, Mr. Speaker, that there is some question about that and I am not going to question your ruling at all, but I would remind you on the other question with respect to whether I can discuss the incident that the ruling given before I got to my feet was that the incident I have been discussing was the incident upon which the motion is based, that is the incident during the pipe-line discussion in this house and following that the proposed reform of the Senate. Those were the two things that were used as the reason for this motion, and I am sure you have not made a ruling which is any different from that. I shall do the very best I can to keep within that ruling. Now, I think the situation is pretty much as I was describing it, namely that the hon. member for Rosetown-Biggar (Mr. Coldwell) came right up the centre of the floor—

Mr. Speaker: Oh, no. Order. I am afraid the Minister of Agriculture does not fully understand the purport of my ruling.

Mr. Green: Oh, yes, he does.

Mr. Speaker: If he does, perhaps he has not grasped the full meaning of it. I said that we should not refer to a previous debate already concluded, and I do not think we can separate the proceedings, the attitude of members with respect to those proceedings, and the debate itself. They must be considered in a package, and I do not think we ought to refer to those proceedings.

Mr. Gardiner: As long as you do not rule that a man leaving his seat, walking up the centre of the floor and shaking his fist is part of a debate, because that is not part of a debate; that is an action taking place on the floor of the house.

Mr. Speaker: If it is not part of a debate then the hon. member is referring to an incident which might have taken place when the bells were ringing and at a time when the proceedings are suspended, no debate being permitted. The minister knows it is the practice for some members to sing, others to talk, and others may perhaps do something else.

Mr. Gardiner: I am sorry I cannot read from *Hansard,* because I could indicate to you what the time was.

Mr. Speaker: May I suggest to the minister that he does not have to indicate to me what the position was. I was here and I know exactly what the position was. Therefore I would ask him to take the position as I see it and adhere to my ruling.

Mr. Dufresne: You were here, Mr. Speaker, and he was away in Saskatchewan.

An hon. Member: Oh, shut up.

Mr. Gardiner: There is another incident which came up this afternoon to which I want to refer and which also has to do with the leader of the C.C.F. group. The hon. member for Kootenay East (Mr. Byrne) interrupted and after some little discussion it was suggested to him that he should be very careful in what he said about party actions because he had not always belonged to the same party. I think that was a rather unfortunate remark for the leader of the C.C.F.

party to make, because I have heard him on the platform many times and I have heard him describe his past.

Mr. Byrne: Mr. Speaker, on a question of privilege, I believe the hon. member for Rosetown-Biggar made reference to my background as being the reason I took the attitude I did during that debate.

Mr. Gardiner: Well, that is a little more damaging than what I said. Anyway, that remark was made. I recall that I have been on the platform many times with or in opposion to the hon. member in years gone by, and have heard him recite his past history. I have heard him say quite candidly that he was a strong Conservative over in the old land and he had—

Mr. Knight: Before he was old enough to vote.

Mr. Ellis: Before he reached the age of discretion.

Mr. Gardiner: Not quite that far back. In any case, he was a Conservative and he roomed with a gentleman who was a socialist. The two of them roomed together throughout their college course. Then at the end of that, at the time he was speaking, he said, "Here I am running as a socialist and my socialist friend over in England is a Conservative member of the House of Commons". Each of them converted the other; nevertheless he seems to have belonged to two parties up to that time.

I know he belonged to another one, because when I knew him first he belonged to the independent labour party which contested an election in Saskatchewan. At a later time he belonged to the farmer-labour party. Then later on he belonged to the C.C.F. party. As I have said in this house before, he and I had conversations quite a number of times as to why he should become a Liberal. He therefore has a background also. I would suggest to him that in speaking of backgrounds he should keep that in mind.

There are other members of this house who have believed in different political faiths at different times in their lives, and some of them have changed. Some of the greatest statesmen in the British Empire have done that. There is no reason for taking the position that a man on this side of the house has a background when others on both sides of the house have similar backgrounds, and I suppose they can account for the changes they have made. But that is much along the line of some of the things that happened. I did not finish my story from out in Saskatchewan. I do not know whether or not you will permit me to finish it.

[Mr. Gardiner.]

Some hon. Members: Go ahead.

Mr. Gardiner: My story out there was that I had always known our friend as a pacifist and that I could not understand his shaking his fist at anybody. I think my idea is the correct one, rather than the stories that have gone around as to what did take place in the house.

I should like to suggest to my hon. friends on the other side of the house that if they had an election there would be many things heard. The public would understand better than they do now what went on in this house for three weeks, and when they understood it as do those of us who sat here through the greater part of it and others who sat through it all and watched the performance go on, they would know who it was that placed the institutions of democracy in jeopardy in this house. It was our friends on the other side of the house. They will never be able to live that down as long as they are in politics, and there will not be many of them there too long after that experience.

The quickest way to get out of politics that I have noticed other people take—I have been in politics myself for 42 years without being out at all, and I have watched many fellows come in and go out—is to try to leave the impression that your opposition are doing things which they were not doing and get out in the country and try to convince the public. The public eventually will become wise. When they do, then it is you who will disappear, not the members on this side of the house.

The sooner an election comes the better I will be satisfied, but that may not be the best thing for the country as a whole. I know that the Prime Minister of this country will not yield either to my wishes or to the wishes of hon. gentlemen opposite if in yielding to them he is going to do anything which is not in the interests of Canada as a whole. My friends on the other side of the house may from time to time think that because he sits here and does not reply to them, he has no reply to make. I should like to see their faces when they meet him out in the country in the next election campaign. They will be the most downcast individuals who will be met from one end of this country to the other. Just as in the past, they will find that the people of Canada have the same confidence in him now as they had on the two previous occasions—

An hon. Member: We shall see.

Mr. Gardiner: —on one of which they gave him the greatest majority any party ever had in this house up to that time, and on the next occasion they increased it. I think they will increase it again whenever they get an opportunity to do so.

As to development in this country, may I say this. Not only every person in this country but every person of any importance in the United States, in Britain and in the countries over the world knows that there is no comparison between the development that has taken place in this country during the last 10 years and that in any other 10 years in its history. During the past 10 years this country has grown into a nation recognized by all the countries in the world as one of the outstanding nations. We shall carry that reputation down to the next election, at which time I am sure we shall carry ourselves through at the polls and leave a few of our friends sitting on the other side of the house.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened with great attention and great interest to the diffuse and rambling speech made by the Minister of Agriculture, who I understand is tonight Acting Prime Minister, and which dealt so fully with bill posting, parliamentary procedure, Saskatchewan politics and the pugilistic ability of the hon. member for Fort William (Mr. McIvor). I am not going to be like the minister and break the rules. I am, as usual, going to keep to the rules and apply my remarks to the amendment that is now under discussion.

I rise this evening particularly to bring to the attention of the house the neglect of this government in one respect of about 5,000 of my constituents. I have done it a number of times throughout the years, but I do so tonight again because I think this is an opportunity to focus attention on this injustice that about 5,000 of my constituents have suffered for some 30 years. Satisfactory radio reception has been available to the majority of Canadians for about 30 years; but, as I said before, I have about 5,000 constituents who are unable to hear Canadian radio during the greater portion of the 24 hours.

An hon. Member: They are lucky.

Mr. Herridge: I say that is unjust. We can spend millions of dollars on television and on the improvement of television. That is something I do not regret, though on two or three evenings when I looked at a program —I forget the name of it just now—on which they produce some rather queer plays from Toronto I thought that if they would spend the money it cost to produce one of these plays in assisting my constituents to enjoy radio, it would be to the better advantage of this country.

These people, Mr. Speaker, have a real grievance, and this is a time for bringing grievances to the attention of the house. That is why I raise it again. I have raised it year after year without results. The area affected —and I know there are other areas; there are, I think, about eight or ten other areas in Canada—that suffers in a similar way, and of which I am speaking, is the greater part of the Arrow lakes area, the north Kootenay area and the Slocan lake area. While other Canadians have been enjoying Canadian radio, these people for 30 years have been unable to enjoy radio the greater part of the time. I know that in order to overcome that situation low-power relay stations have been erected at Castlegar and Kaslo. That move has been much appreciated by the people who are affected. But this area of which I am speaking is still as it was 30 years ago, and that is why I raise the question this evening.

When I went into this question some half dozen years ago I said, "Is the situation caused by unusual radio interference?" I took it up with the then minister of transport, Mr. Chevrier, who very kindly agreed that he would have a thorough investigation made of the whole area by the officials of his department, and he did so. After that investigation was completed I received this letter, which indicated that the major trouble was not radio interference, although there is considerable of that. I read from the letter dated May 30, 1952:

> The provision of reliable radio reception throughout British Columbia is a very difficult problem. The mountainous terrain, which absorbs the daytime radio waves travelling along the ground, prevents reliable daytime reception in such areas. As a result radio signals are not strong enough to be clearly heard above the normal, irreducible background of radio noise from electrical sources and atmospherics. At night distant radio signals which travel far above the earth and are reflected back to earth by the ionisphere, cause interference to local stations occupying the same channels. There are in the neighbourhood of 3,000 broadcast stations on the North American continent, operating on only 107 channels. Thus there is considerable interference between stations transmitting on the same channel where the desired signal is weak.
>
> For instance Nakusp is not within the primary service area of any Canadian station. Nighttime secondary service may sometimes be had from Trail, Kelowna or Penticton, with occasional reception from CBR Vancouver or CBX Lacombe, but signal strengths are found to be very low.
>
> It is therefore apparent that the poor radio reception in Kootenay West is due to inadequate signal strength, and is not generally caused by excessive interference from electrical sources. In many areas which suffer in this manner, the C.B.C. has installed "booster" stations which are located at repeater points on the wire networks and which afford broadcast service to local communities where they are situated.

So we cleared that up, Mr. Speaker. I can speak from personal experience on this matter, because I live miles away from anyone else. There is no road access to my home, and my nearest neighbour on one side is seven miles

away and 12 miles on the other. We therefore depend on the radio. One evening my daughters were trying to tune in some station and a United States station came in. They said, "Well, Daddy, we have got Charlie McCarthy." I said, "It cannot be Charlie McCarthy because he comes on Sunday evenings." They were insistent upon that, so we listened to that program for about 10 minutes. Then when it came to a conclusion we heard the announcer say, "You have been listening to the hon. member for Macleod (Mr. Hansell) broadcast from Lethbridge." I mention that to indicate the difficulty in radio reception in our area.

Now, Mr. Speaker, this matter is of such consequence that it has been studied by all types of organizations in the area; the chambers of commerce, the boards of trade of southwestern British Columbia. They have taken up the matter and have asked the federal government to have a survey made of our district. This was last year. It has been discussed at many of their meetings. The local chambers of commerce in Kootenay West that are affected, boards of trade, farmers' institutes and women's institutes have had meetings and passed resolutions, but so far without effect. Then the local people have had petitions signed which I have sent to the chairman of the Canadian Broadcasting Corporation. Hundreds of people have written letters concerning these circumstances. In addition to that, those who operate air services in the area have written pointing out that they are unable to receive weather bulletins and on that account their flying is made much more difficult.

Now, in order to indicate the situation—and I bring it up because this is an unfair situation to these people—I am going to quote from one resolution that I received recently, which was sent to the chairman of the broadcasting corporation. This was a resolution passed unanimously by the Nakusp chamber of commerce. I might say here that is one of the beauty spots on the Arrow lakes, a very active, progressive and growing community. The resolution reads:

> Whereas the geographical location of Nakusp and its surrounding area is such that it is impossible to get satisfactory radio reception; and
>
> Whereas it does not appear possible to build Canadian stations of sufficient power to overcome those American stations in California and Seattle which are of the same wave length; and,
>
> Whereas the Canadian government is spending millions of dollars each year to provide television to people who have excellent radio reception; and,
>
> Whereas it is not possible to consistently receive Canadian news, Canadian civil defence instructions or warnings, Canadian political broadcasts or any Canadian cultural programs; and,
>
> Whereas as Canadians we feel that we have the right to know what is happening in Canada; and,
>
> Whereas the farmers of this district need the Canadian weather forecast if they are to properly take care of their crops; and,
>
> Whereas the farmers of this district need the Canadian market news; and,
>
> Whereas other areas and communities of less population are at the present time satisfactorily serviced by C.B.C. booster stations:
>
> Therefore be it resolved that this chamber of commerce recommend to the board of governors of the C.B.C. the installation of a booster station at Nakusp to serve the needs of the people in this area.

I just read that resolution to indicate they are concerned about this matter. It would not take more than three booster stations, one at Nakusp, one at Rosebery, and one at Balfour. To these repeated representations from organizations, petitions and letters, Mr. Dunton has replied in each case, and I am going to read his latest reply in this connection. He says in part:

> As we have explained before the difficulty about filling in some of the gaps in our coverage is that of finance. As matters stand now the outlook is that we shall be short of funds even to carry on existing services and it will be a question not of expanding but of reducing. It is possible, however, that some adjustment will be made in the methods of financing the sound broadcasting system, and with that in mind the corporation is going ahead with further study of coverage needs, and the costs involved, including southeastern British Columbia.

So we are told it is a matter of financing. I understand that nothing will be done to remedy this situation until a report is received from the royal commission on broadcasting. Well, it is unfair to ask these people to wait that long.

Then quite recently the present Minister of Transport had a survey made of the area to see if there was a great deal of interference that could be overcome by various measures. They come to the same conclusion, I think. There were three officials from the Department of Transport who made the survey in the area, and this is what they say according to a letter received from the deputy minister of transport, Mr. Brassard, dated May 9, 1956.

> The report indicates that the main reason for the complaints is not that the interference level is high, but rather that the strength of the broadcast signals received is extremely low throughout the Nakusp area due to the terrain.

That applies to the whole area.

> In the circumstances, it is not always possible to suppress interference to the point where satisfactory reception is attained, however, our staff will take all reasonable measures to eliminate preventible sources.

We appreciate what is being done in that respect. They did discover some sources of interference.

> We are given to understand that the Nakusp board of trade had previously approached the C.B.C. for the installation of a low-powered

broadcast relay station in Nakusp, but that the request was turned down because program carrying lines were not available. It is reported that such lines are now available and that the board is making a new application.

I read that to indicate it is still not a question of interference but the low strength of the signals. We have Canadian Pacific lines going in which were not available some three or four years ago. The poles were old and the lines almost obsolete. Since that time there have been some severe storms and the Canadian Pacific has taken advantage of the situation to rebuild the line, so they are now in a position to give a wire service between Nelson and Rosebery and Nelson and Nakusp. There is also at the present time a B.C. telephone line between Nelson and Kaslo, and we would only have to take a feeder line off to serve Balfour, Procter, Crawford Bay and the Kootenay lake area.

Now, Mr. Speaker, this does not seem a serious matter to people who enjoy good radio reception. In my opinion it does seem unfair that those people who are producing such a great amount of wealth should be denied the opportunity to listen to Canadian stations. They can listen to United States stations at Seattle, San Francisco, Portland and the south, usually in the evening. Rarely can we get Canadian stations. We can never hear them properly, or get a complete program.

There is tremendous production right within the area I am speaking about that does not receive radio reception at the present time. Just last year in the Arrow lakes area alone 100 million feet of lumber were cut. That is a great contribution to the production of this country and to the taxes of this government. In the area I am speaking of, the Kootenay lake area, 50 million feet of lumber were cut. There is a tremendous mineral production in the area concerned. I have not the figures, but they are included in the total area. In the Kootenay West area there is extensive agricultural production, particularly in fruit, dairying and poultry, and there is an extensive tourist trade.

While millions have been spent in developing the C.B.C. in other directions, the people I am speaking about, and I know some other groups in Canada, have been completely denied the opportunity of enjoying the Canadian Broadcasting Corporation's radio facilities. At the present time, and until this situation is remedied, the people of whom I am speaking will be forced to obtain their news, their entertainment, their commentaries and programs they wish to enjoy, from United States stations.

Therefore, Mr. Speaker, I do urge that the government give consideration to circumstances such as these and by the installation of the low-power relay stations that are necessary for these Canadians, good Canadians, largely living under pioneer conditions, to enjoy the Canadian radio programs and the benefits that the great majority of Canadians have enjoyed for over 30 years.

Mr. Byrne: May I adjourn the debate?

Mr. Speaker: The hon. member may proceed; it is only five minutes to ten.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, it seems to me, because of the motion moved by the Leader of the Opposition, and because of the material he introduced, the debate tonight should rightly centre around the pipe-line bill and the other question of reform of the other place. I am wondering what will be the position of those hon. members who are sympathetic to questions such as those raised by the hon. member for Kootenay West (Mr. Herridge) and the hon. member for Saint John-Albert (Mr. Bell), if they are expected, as is usual, to support the government on a want of confidence vote.

The Social Credit party do not appear to be in such a peculiar position with respect to this omnibus motion. They have indicated they do not feel that recent actions should require the government to go to the country, yet they may be sympathetic with some of the questions that were raised this afternoon. It is for that reason that I feel the debate has ranged somewhat too far and too wide. Tomorrow, when I take my place in the house again, I expect to continue this debate. I intend to discuss the matter raised by the Leader of the Opposition, and to show that if the rules of this house were broken during the pipe-line debate they were broken by members of the official opposition and by members of the C.C.F. party, not by any members on this side of the house. I hope I shall be allowed to continue in that vein, Mr. Speaker, as it will simply be answering what hon. members on the opposition side of the house said this afternoon.

On Friday last the Leader of the Opposition reiterated a speech he made on an earlier occasion, and I hope I shall be permitted to say that the opposition have been the ones who have broken the rules thus far in this session. May I adjourn the debate?

Mr. Van Horne: The hon. member's time is not up.

Mr. Byrne: If my time is not up I move the adjournment of the debate, Mr. Speaker.

Mr. Van Horne: The hon. member sat down. I wish to speak.

Mr. Byrne: The hon. member—

Mr. Speaker: Order. At the moment the hon. member for Kootenay East resumed his seat and asked me to call it ten o'clock I was about to rise in relation to his last remarks. He indicated what the content of his speech might be. If he recalls what I had to say earlier when the Minister of Agriculture was speaking he will know that his program is not quite in line with the ruling I made. I fully understand it may be very difficult for hon. members on both sides of the house to keep away from a debate that has taken place and that has been concluded; but if hon. members insist on reviving again and again matters that have been dealt with, well, I shall have to take a very serious second look at the whole matter.

Mr. Byrne: I certainly will not abrogate your rule in any way. I have many things to discuss tomorrow, and should you find that the tenor of my discussion is out of order I shall be pleased to conform to your ruling; but at this moment I wish to adjourn the debate.

On motion of Mr. Byrne the debate was adjourned.

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

ANSWERS TO QUESTIONS

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

POSTAL SERVICE, MARYSVILLE, N. B.

Question No. 460—**Mr. Van Horne:**

What action, if any, has been taken to establish door to door mail delivery at Marysville, New Brunswick?

Answer by: **Hon. Hugues Lapointe (Postmaster General):**

A survey has been carried out by field officers and instructions have been issued to provide letter carrier delivery service as soon as the usual conditions respecting letter slots, house numbers, etc., have been complied with.

C. N. R. APPROPRIATIONS, EDMUNDSTON, N. B.

Question No. 511—**Mr. Van Horne:**

1. Has an appropriation been made for a new Canadian National railway station and/or freight terminal at Edmundston, New Brunswick?

Questions

2. What action, if any, is being taken to build a new station and/or freight shed at Edmundston, New Brunswick?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

The Canadian National Railways advise as follows:

1. No appropriation is included in the 1956 capital budget for the construction of a new station. Provision is made in the 1956 budget for the construction of five storage tracks and other track changes. This work is a continuation of extension and alterations commenced in 1954 and continued during 1955.

2. Plans have been prepared and are now being completed with a view to commencing construction of a new station and freight shed during 1957 if funds are authorized in that year's capital budget.

HOUSE OF COMMONS

Tuesday, June 26, 1956

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, June 26, 1956

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 26th June, at 9.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative).

ROYAL CANADIAN AIR FORCE

INQUIRY RESPECTING DECISION TO DISBAND MOUNT HOPE STATION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of National Defence. In view of the representations which have been made in regard to the air station at Mount Hope, outside Hamilton, will the minister tell us whether there has been any reconsideration of the decision to disband that squadron, one with a well-remembered reputation and one which had been so well supported in that community?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker, there has been no change in the decision.

Mr. Drew: Can the Minister of National Defence indicate in what way the very elaborate and expensive establishment which has been created for the use of that squadron will now be used?

Mr. Campney: No, Mr. Speaker, I am not in a position yet to give any firm answer. I presume we will be discussing the matter with the Department of Transport in the usual way as we always do when we cease to operate a station ourselves.

Mr. Drew: Has the Minister of National Defence not received a number of representations with regard to the disbandment of this squadron at Mount Hope?

Mr. Campney: Very few, Mr. Speaker. I may have a couple.

[*Later*]:

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I should like to ask a question of the Minister of National Defence supplementary to the question asked by the Leader of the Opposition. Has any provision been made to take care of the extremely important defence role being carried out by the squadron about to be disbanded? If so, what is the nature of the provision?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I am not sure that I clearly understand the hon. member's question. The work carried on by this squadron, as was the case with the work carried on by each of the auxiliary squadrons, was weighed, studied, and considered. The cost of maintaining the squadron and the alternative uses which might be made of the personnel of the squadron were also considered. The decision which was taken was based upon a consideration of all these factors. The existing air force units at Hamilton will benefit by the addition of a goodly number of personnel. The flying carried on by the Hamilton squadron has required the maintenance of a complete airport on the part of national defence at great cost, and because certain improvements had to be made it was decided—and I may say decided with some reluctance—that this squadron would have to be altered in character.

POSTAL SERVICE

REQUEST FOR RE-ESTABLISHMENT OF MAIL DELIVERIES TO WAWOTA, WINDTHORST AND KENNEDY, SASK.

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Postmaster General. Can the minister state if he has received a telegram from the board of trade of Wawota, Saskatchewan, with respect to mail service and the condition arising out of the curtailment of train service and, if so, can the minister give assurance that satisfactory mail service will be re-established for the villages of Wawota, Windthorst and Kennedy?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, such a telegram has been received and authority has already been given

to replace the curtailed train service by a road service so that delivery will continue on the same basis as previously.

AIR TRANSPORT

REQUEST FOR AMENDMENT OF STATUTE TO PROHIBIT DUMPING OF FUEL

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Minister of Transport or in his absence to the Acting Prime Minister. In view of the terrible and sorrowful accident that happened to the Venezuelan air liner, I wonder whether the Minister of Transport would consider revising the act having to do with civil aeronautics to provide that no dumping of gasoline shall be allowed while aircraft are in flight?

Right Hon. J. G. Gardiner (Acting Prime Minister): In view of the absence of the minister I would suggest that this question be taken as notice.

FINANCE

INQUIRY AS TO POLICY RESPECTING TAX ON CERTAIN ADVERTISING REVENUES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Finance. Can the minister say whether the government intends to proceed with the legislation providing for a 20 per cent special excise tax on the gross advertising content of Canadian editions of United States magazines?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, last week I was asked the same question and I made the answer that I would have nothing to say on the subject until I introduced the resolution.

PRIVILEGE

MR. REGIER—REFERENCE TO NEWSPAPER EDITORIAL CONCERNING MR. SPEAKER

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I rise on a question of privilege. I have in my hand an editorial, of which I sent you a copy, wherein, two weeks after a motion was decided by this house, you and with you the institution of parliament are still being attacked. To mention only a few of the terms used, you are referred to as "a crooked Speaker". You are compared to a bank robber. You are labelled "a self-seeking Liberal hack with the hide of a rhinoceros". You are accused of deliberately debasing an office.

[Mr. Lapointe.]

To my mind this is an attack on our institution of parliament, and I am appealing to you, Mr. Speaker, to say whether some action cannot be taken to maintain or to restore, if it has been lost, public confidence in this institution.

Mr. Fleming: Dissolve parliament.

Mr. Speaker: I am pleased to inform the hon. member that, according to a principle that has already been laid down and expounded in this house by other members who have risen on questions of privilege, an attack against the Speaker is an attack against the whole house. As a matter of fact, an attack against one member of the house is an attack against the whole house. See citation 157, Beauchesne's Parliamentary Rules and Forms, second edition. Hon. members have risen from time to time on a question of privilege affecting the honour of a member of the house and have suggested or indicated that some action should be taken by myself. If the hon. member looks at May, fifteenth edition, he will find that whenever action has been taken it has never been by the Speaker but by members of the house themselves. See May's fifteenth edition, pages 125 and 126, also pages 138 to 142. You can find in May's fifteenth edition only one instance where the Speaker has acted himself, and that was when an officer of the house under his own jurisdiction had been attacked, and he came forward and submitted the matter to the house. In all other cases members have taken action themselves.

I must say that it has been quite some time since members have taken action with respect to these matters. The last instance took place some time ago. See *Journals*, page 108, 1894, and *Journals*, page 370, 1906. The proper procedure, which I explained myself on at least two previous occasions in the last month—see *Hansard*, 1956, pages 3563-6 and pages 4528-31—is that a member who wishes some action to be taken proceeds to indicate what constitutes the question of privilege and concludes with a motion. See *Hansard*, volume III, 1929, pages 2790-7, and Beauchesne's third edition, citation 273. That motion being privileged it may either be considered immediately or may be considered at a time appointed by the house itself. Once the motion has been agreed upon, if it is in order, then a remedy may be applied. That is entirely in the hands of the house and not in mine.

That remedy may consist of calling the author of the article or the publisher of the newspaper to the bar of the house and asking him for an explanation and apology. That apology or explanation may be accepted by the house. If it is not accepted, then the

house may decide whatever punishment it deems advisable. Then it calls back the author of the article or the publisher of the newspaper to the bar of the house, and it is the duty of the Speaker to communicate to him what decision the house has reached. That decision may be a reprimand; it may be imprisonment. In certain cases it has been advocated that even a fine may be decided upon. That was the case in Australia not very long ago. That is the way in which these matters should be looked upon.

Mr. Donald D. Carrick (Trinity): Mr. Speaker, may I speak to the point of order? I should like to ask you if the hon. gentleman, before taking the formal action you have indicated, should not consider whether or not the criticisms he has read arise out of the incidents in this house upon which this house has already passed judgment. You will recall, Mr. Speaker—

Mr. Speaker: May I interrupt the hon. member just to say that if a question of privilege is raised and it is not supported by a motion, there is nothing before the house and I would advise the hon. member not to pursue the point. He began by asking me a certain question. I would be pleased to tell him immediately that should that situation arise I shall have to deal with it when it comes up.

Mr. Carrick: I am only asking you, Mr. Speaker, if the hon. gentleman should not take that into consideration before he takes the formal action that you have indicated. On a previous occasion you indicated that certain members of this house had used very extreme language with respect to the conduct of the officials of this house. It may be that this article would not go beyond the language that had been used in this house by some hon. members.

GRAIN

WESTERN FEED GRAIN—REQUEST FOR INCREASED FREIGHT RATE ASSISTANCE

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): Yesterday, Mr. Speaker, the hon. member for Colchester-Hants (Mr. Purdy) asked me two questions. The first one was:

> Will the government take under consideration increasing the freight rate assistance on western feed grain to the Atlantic provinces in an amount equal to any freight rate increases?

The answer to that is contained in order in council P.C. 1955-138, paragraph (d) of which reads:

> The rates of payment under paragraph (c) shall not be increased while this order is in effect irrespective of any increase in all rail through car lot rail freight rates which would result in the balance of such rate over the Montreal freight rate zone rate being higher than it is at the time this order becomes effective.

Then, in the letter which went out to the trade, there is this:

> The administration thinks that dealers will understand that no increase in rates of payment under the freight assistance policy by virtue of the increase in all rail freight rates will be made, but anyone who is in doubt should get in touch with us as soon as possible so that a clear understanding will prevail before the rail freight rates are increased.

I think it has already been indicated what the government's decision is in the matter and there is nothing more I can say on that point.

Mr. Brooks: May I ask the date of the letter the minister is quoting?

Mr. Gardiner: The date of the letter is June 18, 1956.

The other question is this:

> Having regard to the motion of the Minister of Public Works, who I believe is Acting Minister of Agriculture, will an opportunity be given to general agriculture to present their problems before the committee on agriculture and colonization?

Of course, Mr. Speaker, it is generally understood that any group that desired to make representation to the committee on agriculture and colonization would say so and the representation would be considered by the government and the house. The present position of the government is that we do have a conference every December to which all those who are interested in agriculture, including all the departments of agriculture, are invited. Up to now all matters that would likely be presented to the agriculture committee have been discussed there.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO POSSIBLE CHANGE IN GOVERNMENT POLICY

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Acting Prime Minister regarding any possible change in government policy toward the construction of the South Saskatchewan dam. Has the federal government now decided that the building of the South Saskatchewan dam would be in the national interest? Has the government made any offer to Saskatchewan as to the terms on which it would agree to proceed with such construction?

Right Hon. J. G. Gardiner (Acting Prime Minister): As Acting Prime Minister, Mr. Speaker, I shall take that as notice and refer it to the Prime Minister on his return.

Mr. Argue: The answer is no.

Request for Election and Senate Reform

Mr. W. M. Johnson (Kindersley): I should like to direct a question to the Acting Prime Minister. Has he recommended any change in the policy of the government in connection with the South Saskatchewan dam?

Mr. Gardiner: Mr. Speaker, I do not think it is necessary for me to recommend any change. I am the first person who ever recommended the building of it, and I am still recommending it.

SHIPPING

SUPPLY SHIP "C. D. HOWE"—REPORT ON FIRE

On the orders of the day:

Hon. W. E. Harris (Minister of Finance): Yesterday the hon. member for Vancouver-Quadra asked a question with respect to the damage caused the supply ship *C. D. Howe* in Montreal on Sunday morning. There was damage done to about 15 or 20 tons of general cargo. The fire occurred in No. 2 deck area early Sunday morning, and was quickly brought under control. Loading operations had been completed for the dispatch of the vessel to northern areas when the fire broke out. The delay in sailing is one day, I am informed, and apparently no damage has been done other than to the 15 tons of general cargo. None of the mail has been disturbed and the rest of the cargo is intact, so there will be only a slight delay in the vessel leaving Montreal.

SUPPLY

The house resumed, from Monday, June 25, consideration of the motion of Mr. Harris for committee of supply, and the amendment thereto of Mr. Drew.

REQUEST FOR ELECTION—SENATE REFORM

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, when I rose last evening and attempted to adjourn the debate at five minutes to ten I felt that I was in a position somewhat similar to that of the hon. member for Broadview on Friday, when he attempted to adjourn the debate at ten minutes to six. I, of course, wanted to do some research and gather more material. I suspect the hon. member for Broadview wanted to let the Prime Minister age another couple of hours so he would have something to talk about.

Mr. McGregor: That is pretty flat.

Mr. Byrne: Perhaps the hon. member for Restigouche-Madawaska (Mr. Van Horne) would have filled in, but I was not disposed to accept his kind offer. When the Leader of the Opposition introduced the motion which we are now debating he used these words, as found on page 5330 of *Hansard*:

> Mr. Speaker, on a supply motion it is particularly appropriate—

I want you to note the word "appropriate," Mr. Speaker.

> —at this time that I should refer to the discussions that have already taken place here and their effect upon our present position in this house. I think it is the correct time to express our belief that this government has lost any moral right to govern this country.

I say at this point that if there has been any immorality in action during this session in this house it has been on the part of the official opposition. The Leader of the Opposition went on to say:

> We all know how precedents were broken in this house in a debate which took place not long ago. There was some discussion on Friday last about whether or not the Minister of Trade and Commerce (Mr. Howe) had used the words in a television interview, "We violated the rules".

I am sure if the Minister of Trade and Commerce said anything of that nature what he meant to say was, "We violated no rules"; or he meant to say, and should have said, "We applied the rules". The opposition do not seem to be able to see any difference between applying the rules and violating the rules. The Leader of the Opposition went on for over half a page and discussed proceedings in this house with respect to the rules and sought to indicate that the government, and the government only, had violated the rules. He said further, on page 5331:

> I am not going to say more except to repeat that the important thing is not that he did say the words; the important thing is that having said them he denied to this house that he did. It is only in keeping with many of the things that have happened.

All this is an attempt by the Leader of the Opposition to justify the motion he has brought before the house to dissolve the house. So far as his comments are concerned, that was as far as he went. Then he proceeded to attack the other place.

It has been said in the debate on the question to which he referred earlier, namely the debate on the pipe line, that the remarks have not been relevant and have been off the normal course of debate. I do not believe this party can be accused of such a type of debate. The opposition have tried to indicate that we have attacked the rules of the house and that we are undermining the pillars of democracy. From what has taken place so far I know that the Leader of the Opposition and the opposition generally, because they have been unable to force their will upon the majority, have moved on to a smaller group, the officials of the house, and have attempted to destroy

them. That was not possible, and they have now moved on to the Senate and have attempted to destroy the other place. If there are destroyers of parliamentary and democratic systems in this house they are on the benches on the other side of the house.

An hon. Member: What a joke after your performance.

Mr. Byrne: For this reason, Mr. Speaker, I wish to prove that the violations of the rules have been entirely on the opposite side and not on this side of the house.

Mr. Speaker: May I refer for a moment to the discussion of order we had last night. The hon. member will recall that when he indicated that he wanted to refer to proceedings that took place in this house during a debate that has already been concluded I indicated to him, as I indicated to the Minister of Agriculture (Mr. Gardiner), that the rules do not provide for such a course to be followed. I had to say if hon. members prior to his taking the floor had themselves referred to previous proceedings already disposed of, it did not give another hon. member the right to do so.

I must repeat what I said last evening and refer the hon. member to the citations in Beauchesne's third edition (see Beauchesne's third edition, citations 244, 245, 246 (a), (k)) which I quoted last evening, and ask him to address himself to subjects which have to do with the calling of a general election and as much as possible in line with the subject matter as it was introduced by the mover of the amendment to the motion to go into supply. I understand the difficulties of the situation, and it is only by hon. members co-operating with the Chair that we can achieve the results that should be achieved under the rules.

Mr. Byrne: Mr. Speaker, I certainly do not wish in any way to encroach upon your good will or the rules of the house, but I submit that when the Leader of the Opposition introduced the motion he said:

> . . . I should refer to the discussions that have already taken place here and their effect upon our present position in this house.

From there on during his entire address he referred to matters that had taken place in this house of recent date; and for me to find anything else to discuss and remain within the rules of the house would be extremely difficult. Last evening Your Honour said:

> It appears to me that if we are to follow the subjects that have been introduced so far during the debate, which is supposed to be one on a specific grievance, we can speak about Senate reform, we can speak about proceedings in this house and the proceedings in the Senate on the pipe-line bill, we can speak on all the projects which are of interest to the maritime provinces—

And so on. I feel quite sure that when he introduced this motion the Leader of the Opposition was referring to incidents in this house. I simply say that if we are in a position that requires dissolution, and if it is because the rules of the house have been violated, I would like to point out that on May 31 the rules were violated and broken by the opposition seven times and I have material here with which I can prove that.

If I am not allowed to do that I shall bow to your ruling, but I feel that in all justice I should be allowed to say why I feel that the house is not in such a position as to require dissolution, and certainly if it is it is not due to any action on the part of the government supporters.

Mr. Speaker: I say immediately that I know the difficulty of the position because of certain pronouncements that were made. That does not alter the fact that the rules are exactly as I have stated. We are not supposed to refer to or reflect upon past proceedings.

There were proceedings in a certain debate which has ended. As a matter of fact the legislation that was then under discussion has become the law of the land. There were also proceedings that took place on Thursday, May 31, and Friday, June 1, which, as the hon. member knows, consisted in large part of a motion of censure against myself, which has also been voted by the house on June 8. If the hon. member wishes to deal specifically with either the proceedings in the pipe-line debate or the proceedings which were the subject of censure against myself, he will be not only referring to a previous debate already concluded but also reflecting upon proceedings of the house.

I realize the difficulty, and I do not mind at all, as far as I am concerned, if hon. members generally wish to have the rules dispensed with in respect to this particular debate. In citation 107 of Beauchesne's third edition I find the following:

> In all matters of doubt, the Speaker will consider attentively the opinions of members of experience, or sometimes, instead of expressing his opinion on either side, may ask instructions from the house or reserve his decision on the point in discussion, or suggest that the house may, if it think proper, dispense with the rule in a particular case. In doubtful cases, he will be largely guided by circumstances.

If hon. members insist on discussing previous proceedings already disposed of, I am in their hands and they may make their own decision.

Request for Election and Senate Reform

Mr. Byrne: Mr. Speaker, I bow to your ruling with great respect and I submit to the Leader of the Opposition that he might follow my example.

The motion before us is one to dissolve the house. The only real argument that has been put up by the official opposition as to why we should dissolve the house is that undoubtedly they could win a general election. Apparently the hon. member for Saint John-Albert (Mr. Bell) has 99·9 per cent of the vote corralled in the maritimes. Others seem to have the same type of stranglehold, through their distortion of what took place in the house, and feel that is good reason to have a general election. While this distortion of the facts is still widespread, I think we should take the time to let the actual facts be known before calling a general election.

There are important items on the order paper that should commend themselves to the Leader of the Opposition and to the leader of the C.C.F. party. One is what we believe to be an excellent arrangement with the provinces for a tax-rental agreement; another is provision for assistance to unemployed who do not otherwise receive assistance under the Unemployment Insurance Act. There are many pieces of legislation that are of importance to the country. I think the Leader of the Opposition and the leader of the C.C.F. party should take these under consideration, rather than attempt to do something which will be particularly beneficial to their own political parties.

Since I have been unable to show why I believe the opposition parties violated the rules at least seven times in less than that many hours, I shall refer to something that took place in the debate yesterday. The leader of the C.C.F. party, answering an interjection by myself, at the time he was attempting to distort the facts as he has in the past, saying that we were responsible for the breaking of the rules—

Mr. Campbell: On a point of order—

Mr. Speaker: I understand the hon. member for The Battlefords is rising on a point of privilege?

Mr. Campbell: On a point of privilege. The hon. member—has just said that the member for Rosetown-Biggar had distorted the facts yesterday as he had done in the past. I think that should be withdrawn.

Mr. Speaker: I am glad the hon. member rose, because I did not know whether he noticed but I suspected the hon. member for Kootenay East had said some words to that effect. If my recollection is right the hon. member for Kootenay East said, "The member for Rosetown-Biggar attempted to distort the facts as he has done in the past."

Mr. Campbell: I do not think he used the word "attempted".

An hon. Member: Yes, he did.

Mr. Speaker: Even if he used that word I do not think the hon. member for Kootenay East should accuse any other hon. member of attempting to distort the facts.

Mr. Trainor: On a point of order, I think the hon. member only intimated that the hon. member for Rosetown-Biggar was distorting the facts as he saw them. That is not necessarily distorting the facts.

Mr. Byrne: Thank you, Mr. Speaker and various members of the house who have assisted me in this matter.

Mr. Nicholson: Have you withdrawn?

Mr. Byrne: I am—

Mr. Speaker: I am grateful to the hon. member for Winnipeg South for having given his own interpretation of the expression, but I think I shall have to depend on the one I give to it myself. I should like the hon. member for Kootenay East to indicate that he had no intention whatever of accusing the hon. member for Rosetown-Biggar of deliberately distorting the facts in this house.

Mr. Byrne: Well, Mr. Speaker, in my opinion they were not the facts.

Mr. Campbell: I insist that the hon. member withdraw that statement.

Mr. Byrne: I interjected and said that the opposition had broken the rules.

Mr. Speaker: It is not difficult to conclude an incident of this kind. It is just as simple as this. An hon. member who has used an expression which may be offensive merely has to say, "If I have offended any hon. member, I withdraw the expression." It is just as simple as that.

Mr. Byrne: Mr. Speaker, I withdraw the assertion if it is in any way offensive. As a matter of fact I withdraw without qualification. The hon. member for Rosetown-Biggar had this to say, as found at page 5340 of *Hansard*:

> I have no doubt that his remarks stem back to some of his background in the past—

I did not hear him say "party solidarity", but it appears in *Hansard* and apparently that is what he said. The hon. member went on to say:

> My hon. friend knows to what I am referring. It stems from some of his background in the past.

I do not know to what the hon. member refers. I was born of humble parents, and I was born in the United States. That may be a crime in the minds of some of the members of the opposition these days, but it was simply an accident of fate and I take no responsibility for it. But since attaining the age of 16, when I was required to earn my own living, I take responsibility for everything I have done. Previous to reaching the age of 21 I became an adherent of the Liberal party and I have not deviated from that course to this moment. I have belonged to the one church and have had one spouse. I am in complete ignorance as to what the hon. member meant by my background.

Since the hon. member is not here and able to supply me with that information, may I say that there is only one other matter to which he could possibly have reference. I refer to the fact that I belong to and took a very active part in organizing a labour union in the province of British Columbia and, for that matter, throughout Canada. I took an active part in that organization, the mine, mill and smelter workers and, as a matter of fact, the hon. member for Kootenay West (Mr. Herridge), who is sitting in his place, is an honorary life member of that organization.

Mr. Herridge: That is right.

Mr. Byrne: So I find it difficult to see what there is in my background that would preclude me from receiving the confidence of the people of Kootenay East and therefore the right to sit on this side of the house until the Prime Minister decides it is time for another general election.

As a representative of the union I mentioned earlier I did considerable organizing. I am also happy to say that I took a leading part in negotiating agreements in the years from 1945 to 1949, and they were outstanding agreements. This union was the first and only union to break into the tough mining industry with such companies as Consolidated Mining and Smelting and International Nickel. They had been dominated by company unions for years.

When I first joined the union and began organizing I was working seven days a week every week in the month, and with no overtime pay. I mentioned that I have belonged to one church. Occasionally I would get a chance to attend the church of my choice on Sunday morning, but only occasionally when I was on another shift. As I have said, that cannot possibly be a reason for not enjoying the confidence of my people. The union has done excellent work in its fight to improve working conditions, wages and holidays with pay. As a matter of fact, the men with whom I work in the summer now get one month's holidays with pay. Many others get three weeks with pay and some with very short service two weeks with pay.

The basic pay is $2 an hour for miners, and as the result of efficiency bonuses there are many who make up to $8 or more. I am sure there would be no individual working underground on contract who would not be making in excess of $20 a day, and many $24 or $25 a day. These conditions have been obtained through union activity. I have not always agreed with some members of the union so far as their political outlook on life is concerned, but I have here the official organ of the union in Canada. To whom do they turn when they want political advice? I should like to refer to a section of the editorial to show to whom they turn when they require political advice. The headline is, "Scandalous Facts of the Pipe Line Sell-out". The editorial goes on to say:

> Trans-Canada Pipe Lines is owned and controlled by five great U.S. oil and gas companies . . .

Then they quote M. J. Coldwell, leader of the C.C.F. party and George Drew, leader of the Progressive Conservative party. I will admit I have never got along with them politically and I do not intend to. No matter which way they stray I shall go down the centre with the good Liberal party which can see both sides of a problem and is prepared to go forward on that basis. I am wondering who the opposition are going to attack next. They have tried the house, the officials, the Senate. I hope His Excellency is not next.

Mr. Castleden: Wonderful.

Mr. Fleming: How nauseating!

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I was taken aback last night by the remarks of the Minister of Agriculture. It is true that he may be a very excellent debater and he may quote good books very much like the devil can quote the Bible, but he gives me the impression that he has no more regard for the truth than a tomcat has for a marriage licence.

Mr. Speaker: Order. May I ask the hon. member to retract that statement? May I ask the hon. member to withdraw the expression that the minister has no more regard for the truth than—I do not know what the balance of the comparison was.

Mr. Van Horne: Apparently that remark is on *Hansard* some place else, but I should like to point out—

Mr. Speaker: Order. As I told the hon. member for Kootenay East a moment ago when I asked him to withdraw a certain

expression, it is very easy. The hon. member simply says, "I withdraw."

Mr. Van Horne: I withdraw.

An hon. Member: He did not want to insult the tomcat.

Some hon. Members: Withdraw.

Mr. Van Horne: The Minister of Agriculture mentioned that all was calm and peaceful in the Senate when the pipe-line bill went there. It might be well to point out—

Mr. Speaker: I am sorry to interrupt the hon. member, but I heard some interjections indicating that the hon. member for Restigouche-Madawaska might not have withdrawn as I requested him. The Clerk informs me that he has and it was also my impression that he had.

Mr. Van Horne: Senator Donald Cameron, a Liberal senator in the other place, made no bones about the fact and his statement is explicit. He said:

> . . . I want to say this . . . I hope that never again for any reason will any bill of this magnitude—

Mr. Byrne: On a point of order—

Mr. Speaker: Order. I think inadvertently the hon. member is overlooking the rule which says—

Mr. Van Horne: I was just following the precedent established last night by the Minister of Agriculture.

Mr. Speaker: I was not in the chair during all the time the minister spoke. As I said earlier, if one hon. member has not observed the rule it does not give another hon. member the right to break the rule as well. At the moment I am looking for the citation which I should like to read to the hon. member. I am referring to citation 243, which reads as follows:

> Allusion to debates in the other house are out of order, and there are few orders more important than this for the conduct of debate and for observing courtesy between houses.

Mr. Van Horne: There is one thing the Minister of Agriculture and I had in common; and that was that we both came from a funeral, namely the funeral of the Liberal party in our respective provinces. In my province the funeral procession had bogged down on the way to the grave. They ran out of pallbearers. No sooner were the Liberal candidate pallbearers chosen than they approached the Liberal corpse and having had one look and one smell at it, ran away in horror. But as soon as they succeeded in getting enough pallbearers to rise and carry the flag the funeral procession kept right on going and ended on June 18.

Mr. Byrne: I rise on a point of order, Mr. Speaker.

Mr. Van Horne: Mr. Speaker—

Mr. Speaker: I understand the hon. member for Kootenay East is rising on a point of order.

Mr. Byrne: Yes.

Mr. Murphy (Lambton West): He does not know what a point of order is.

Mr. Byrne: I should like to know how the hon. member can relate what he is saying to the motion which is before the house.

Mr. Murphy (Lambton West): You had better refer to your own speech.

Mr. Speaker: If the hon. member looks at the amendment, he will find that it deals with the calling of a general election. As I understand it, the hon. member for Restigouche-Madawaska is relating his remarks to the amendment by discussing political conditions in the country and, more specifically, in his own province of New Brunswick at the moment.

Mr. Van Horne: Mr. Speaker, during the 17-year Liberal nightmare in my province which ended in 1952 the Liberal party lost no opportunity to broadcast with fervour that New Brunswick was indeed Canada's unspoiled province by the sea. The Liberal governments with which New Brunswick had been plagued for 17 long, miserable years lifted nary a finger to provide opportunities for our people in that hitherto barren and hard-scrabble land which was New Brunswick. But New Brunswick had become by 1952, as was confirmed by the Prime Minister in two recent statements, the most backward and most depressed area of Canada.

The Prime Minister did not stop to think that these very Atlantic provinces of which New Brunswick is a part, economically speaking and developmentwise, were saddled for the past 20 years—with the exception of New Brunswick alone—not only provincially but federally with Liberal governments. If the maritime provinces are the most backward provinces in Canada we have no one to blame but the Liberal governments that sat in those provinces and in this house during that time.

However, in 1952 New Brunswick changed governments. Hugh John Flemming and his administration have succeeded in reversing the downward economic trend that existed in our province for 50 years and we look forward to a new era, a new day, when progress and prosperity will replace the continuous economic depression with which we were saddled, and the dispersion of our

industry; and the dispersal of our young people, driven from our shores to the long-Conservative province of Ontario in order to make a living.

But while our provincial government in New Brunswick is doing all it can to make New Brunswick the province it was destined to become in the Canadian federation, let us remember that the federal government is not doing its share and has never accepted its responsibilities toward the maritime provinces. Alas, Mr. Speaker, this attitude of the federal Liberal government toward the Atlantic provinces in the past 20 years has been one of neglect, laziness, indifference and downright cowardice.

The federal government has been steadily and actively selling the Atlantic provinces down the river. The federal government has never varied in its stupid and traitorous attitude of passiveness, laziness and indifference toward the stark fact that until we in this economic entity comprising the maritime provinces can adopt, adjust and enforce trade conditions and regulations to meet our needs and not only those of central Canada; until we can decide and determine ourselves how and where we will buy, sell, export and import; until we can regain our natural markets; until we can develop enough hydroelectric power to compete with the rates charged in other areas in Canada; until we can decide and determine ourselves how and where we will buy, sell, export and import; until we can regain the same advantageous trade position we enjoyed at the time of confederation in regard to our choice of buying and selling markets and our method of transportation, which was then mainly by water; and until we can overcome our power, transportation and market barriers, we are doomed to remain a lopsided economic entity, discarded by a federal government which is too blind to see the forest for the trees and which has been—whether or not it has enough brains to realize it—persistently selling the Atlantic provinces down the river.

How I was taken aback the other day by a statement made by the Minister of Trade and Commerce, when he mentioned that he had become enthusiastic about the pipe-line bill to the apparent extent that he was prepared to sell parliament down the road of dictatorship and sell the liberty of its members in order to bulldoze through this house a loan of $80 million to permit a United States company to have control.

Mr. Byrne: Order.

Mr. Van Horne: I ask the Minister of Trade and Commerce, how about getting enthusiastic about New Brunswick for a change? And I ask him now, how about getting enthusiastic about the Atlantic provinces?

Mr. Byrne: On a point of order—

Mr. Van Horne: One trouble with this government is—

Mr. Byrne: Mr. Speaker, I rise on a point of order. The hon. member is not only out of order but he is reading his speech.

Mr. McGregor: Did you read yours?

Mr. Nesbitt: It is not a Cockfield Brown speech anyway.

Mr. Van Horne: One trouble with this government is that its Minister of Trade and Commerce will not get off his high horse to examine and recognize the horrible conditions his government has permitted to exist and develop in the maritime provinces. Mr. Speaker, the present Liberal government has no idea of what we need or what we require or what we want. It is blind and cannot see. It is weak and cannot walk. It is deaf and will not hear. It is lazy and will not work. It is indifferent and will not act. It fails to recognize the fundamental principle that indifference leads to death. Pilate was indifferent to the fate of Christ, and Christ ended by dying upon a cross. Indifference leads but to ruin. Indifference is the companion of chaos, and indifference toward the maritime provines is the main characteristic of the present federal Liberal government.

New Brunswick is now embarking upon a tremendous program of hydroelectric development. The first phase of the program is the Beechwood project, which will cost about $45 million. But the over-all program for hydroelectric power development on the Saint John river comprises four projects like Beechwood and will cost over $211 million. Yet in spite of the federal government giving $162 million to the Colombo plan to help develop projects like Beechwood in Pakistan; in spite of the federal government bulldozing through parliament this $80 million loan; in spite of the $4,044,200,000 lent or given away in the past few years to foreign countries—but mostly given away—many of them behind the iron curtain, this federal Liberal government refuses to endorse our note for $45 million to help us build Beechwood.

The answer given by the Prime Minister was that we did not need money; our finances were good. In making this statement the Prime Minister missed the point entirely. We could borrow the money, and we did. Our finances were solid because since 1952 we have had a Conservative government which re-established them. But, Mr. Speaker, in wishing to get the endorsement of the federal government for this loan we wanted to save

the difference between the high rate of interest we have to pay without the federal government's endorsement and the rate we would have to pay with it. On the $211 million the difference in interest will be costing New Brunswick something like $3 million a year. This $3 million a year is what the government of New Brunswick wanted to save.

Furthermore, by saving this amount per year on the interest rate we would be in a position to offer rates on power coming from the Saint John river projects which would be much lower, and thus New Brunswick would be in a better position to compete with power rates charged in the other provinces of Canada. Those are the reasons this endorsement was requested from the federal government. There was no question that we could not borrow the money. There was no question about our finances. It was merely to give us a chance to save some money without costing the taxpayers of Canada 5 cents. It would not have affected the monetary position of Canada in the least. It would have merely given us the opportunity to develop our electric power cheaply and sell it at a much better rate.

Now let us pass to another example of what I would call a downright traitorous attitude toward the Atlantic provinces. The federal Liberal government has refused to build the Chignecto canal, giving the ill-thought out excuse that there is not sufficient need for that canal to build it now. Let me tell this house that if sufficient need does not now exist it is precisely because the federal Liberal government, by its stupidity, has driven those industries out of the maritimes which hitherto depended upon cheap water transportation to the main markets. The lack of cheap transportation is one of the main reasons why our industries, one after another, have been forced to close their doors, forced to the wall by the stupidity of a federal government which will not recognize our continually mounting transportation charges.

Before confederation our natural buying and selling markets were supplied by water, that is by cheap transportation. Confederation removed those markets but promised to bring about conditions in the Atlantic provinces which would permit us to trade profitably in the confederation-made markets of central Canada. Thus, like trying to change the course of the St. Lawrence river itself, confederation tried to make us change our natural trade routes. First came the tall tariff barriers, which removed our natural buying and selling markets to the east and to the south. Then came the mounting transportation costs which did not take into account the guaranteed freight rate differential promised by confederation. As a result we were choked and forced to the wall. Today many of our remaining industries, like Enterprise foundries in Sackville to recall only one, stay in the maritimes only because of a spirit of service and loyalty to the people of the maritime provinces. A location nearer to the confederation-made markets of central Canada would be much more profitable for them.

At the time of confederation it was recognized that the maritimes might gain advantages which would overcome the disadvantages resulting from the removal of our natural trade markets. We had that advantage, and could still have it in cheap transportation by water. In this connection the need for the Chignecto canal was recognized and the building of a ship's railway was undertaken but never completed. Now that power is coming to New Brunswick, industries are looking in our province for sites on which to establish themselves. So long as this federal government keeps killing our industries by "nickeling" us to death with ever increasing transportation costs, with staggering freight rates, and by using every possible device to increase those freight rates, industrial growth in New Brunswick will be stilted and our people will not share equally in the wealth which Canada offers.

Transportation is a federal matter. The Chignecto canal and the building of our much needed ports like Dalhousie, Jacquet River and Saint John, would permit the establishment of numerous industries because cheaper water transportation would be provided. Public statements have been made by leading industrialists in New Brunswick that refineries would be built if the Chignecto canal were built. The Chignecto canal would open up cheap routes to coastwise shipping, to all points east and to the markets to be served by the St. Lawrence seaway. No sooner would the canal be built than the once great need for the canal would become apparent and real again, for the new era of industrial development which has been commenced in New Brunswick would be augmented and given new impetus. The federal government is responsible if the present need for the canal has in part been removed, and it is responsible so long as it does not build this canal to restore that need and fulfil a promise made at the time of confederation.

Now let us look at the new increase in freight rates. Even before the commission decided on the merits of another increase, and before the evidence was presented to back up this new demand, an interim increase of 7 per cent was allowed. When

is this government going to stop "nickeling" us to death in the maritimes? This increase is just another example of the contempt for the maritime provinces. But, Mr. Speaker, we know the real reason the government is denying us our right to the Chignecto canal. We know this government is blocking progress in the maritimes in order to keep the Canadian National as the only means of transportation. Does anyone think they can make our people swallow this ridiculous premise and pay the staggering freight rates which are being charged? This government knows that new industries would more than offset the possible but not probable slight, temporary lessening of freight business on the Canadian National if the maritimes were given a chance to prosper and develop by placing at their disposal cheap transportation by water and by rail.

I do not need to explain the guarantees given to the maritimes through the British North America Act, or at the time of confederation, for preferential freight rates to permit us to compete in the confederation-made markets which were forced upon us. Let me say this. This federal Liberal government has not recognized this guarantee and has done nothing to offset the ruinous position in which we are now. On the one hand we are prevented from dealing with our old buying and selling markets because of trade barriers and tariffs. On the other hand we are being denied a competitive trading position because of killing transportation costs to the confederation-made markets of central Canada.

We are blocked no matter which way we turn. We are caught in the vise of federal Liberal indifference. I, for one, am on the verge of crying out, like Premier Smallwood of Newfoundland, "Give us a square deal or count us out". Stop selling us down the river or get out of the way and let us look after our own affairs to our own best interests. Stop killing us, or make road for us to pass. It is a fortunate thing for us that the next elections are not far away, for as soon as this country gets the government it deserves, a Conservative government under the indomitable leadership of our leader, we will have a new deal and justice will be done to the Atlantic provinces for the first time in our history.

What else but laziness, indifference and apathy prevent the federal government from taking steps to bring about the building of that Campbellton-Cross Point bridge about which the Prime Minister encouraged us to talk five years ago? The Minister of Public Works himself has mentioned to me the enthusiastic letters he received from the premier of my province demanding the bridge, which would open up the whole north shore to more and more trade between the provinces of Quebec and New Brunswick. It would be a tremendous defence asset, for the only link between Quebec and New Brunswick at the present time is that old, antiquated Matapedia bridge which threatens to collapse every spring and fall. Quebec farmers would find ready markets, and there would be an interchange of commerce which has never existed between our two provinces. The truckers of pulpwood to our mills would be greatly helped, not to mention the great opportunities we would have to use for transportation the new good roads of New Brunswick and Quebec.

The ferry service is most inadequate; it is outdated, a time killer; it is a danger every spring and fall. The bridge would cost hardly more than $1 million, which the Minister of Trade and Commerce says is nothing. The Sugar Loaf mountain, which contains millions of tons of solid rock, could be had for the asking to build the solid stretches of the bridge, and a comparatively small steel span is all that would be needed in the middle.

"What's a million dollars?", says the Minister of Trade and Commerce. Let me tell him that it is more than we ever got from this government, in my riding, until this year. This is, of course, also excepting the $100,000 or so the federal Liberals put into Madawaska county to try to defeat the Conservative candidates in the last election. This was the first sign of federal assistance we ever got in Madawaska, and it is too bad that it came in the form of gin, whisky, nylon stockings and boxes of chocolates. But our people were far too intelligent to sell their right to vote for gin or nylon stockings, and the Liberal candidates got what they deserved, a well earned and well merited defeat.

The position of this government is ridiculous in regard to the maritime provinces. I repeat what I have often said. A few men are running this country, supported by this tremendous Liberal majority. This government gives me the impression that it is running a school for trained seals, and so long as the Liberal members keep on acting like trained seals, bowing subserviently up and down for the herring held before their noses, they can expect to get the famous S.S.S., that great title in Liberal political life, the safe seat somewhere. For this long-sought S.S.S. and more and more election slush funds, they sell their constituents down the river. This has been the characteristic hallmark of Liberal representation by maritime Liberal members in this house. But by their silence and inactive conduct they give the erroneous impression that all is well in the maritimes.

Request for Election and Senate Reform

The Prime Minister has on two occasions now, once in his letter of January 14, 1955, and in his statement in Toronto at the convention some months ago, indicated in no uncertain terms the recognition by his government of the plight of the maritime provinces. This federal government, with the Minister of Labour sitting idly by, has on the one hand recognized the need for financial help and with the other hand has kept on slapping the maritimes in the face, as it has been slapping us in the face for the past 20 years.

Our Senate is hardly anything any more. It is just another S. S. S., another safe seat somewhere for Liberal politicians. It is the hallmark of Liberal service. Thus we have a Senate packed by old Liberal stand-bys and money-hungry buccaneers who are often in their dotage when they reach the Senate and merely act as a rubber stamp for whatever measures may be sent to it. It has become a tarnished badge of respectability for the whims of the government big-wigs in their puerile efforts to cover up their sinful inefficiency. We have no room in our democracy for such an expensive rubber stamp.

Certainly if we are to provide Canada with the government it deserves we must make the Senate a legislative body representative of the wishes of the people. This would only be brought about by an elective Senate, or in part an elective Senate. Let the Senators be responsible to the people who would elect them, and not be appointed to anoint with the cloak of respectability such legislation as the infamous pipe-line bill. Had we had a responsible, independent Senate, debate would not have been curtailed, and the Liberal members of the Senate would not have had to make the statements they did.

The need for Senate reform has been recognized by all leaders of all political parties, but so far the government has not shown the courage needed to call a conference of the provinces to deal with this very long-overdue reform. This is just another pitiable example of Liberal neglect.

It is most unfortunate, but there is one bright picture on the horizon as far as my province is concerned. I learned yesterday that the rat-infested station and freight shed at Edmundston will be replaced in 1957 and that the plans have now been completed. I wish to congratulate the Minister of Transport for having answered this request. Nevertheless I wish to say this. The jumping, squirming, flipper-flapping jack in the box, the Minister of Citizenship and Immigration, could very well hightail back to the squid-jigging grounds of Newfoundland and help some poor fisherman bail out his boat. He would be more useful there than he is in this house.

[Mr. Van Horne.]

There is one thing I wish to bring out at this time. I just returned from my riding. Some messenger from the Department of Labour, a Mr. Bosse, got up and made the statement at Edmundston before some Liberal assembly that there never would be a new station at Edmundston. He said, "Regardless of what the government wants to do, I am going to block it." Mr. Speaker, it has got to a sad point in the history of this country when messengers of the minister and his department are going to tell the people of this country what the government is going to do and what parliament is here for.

It is apparent that the federal government refuses to recognize the financial position which has been imposed by confederation upon New Brunswick, either through a refusal to learn the facts or because of a subversive attitude toward the government of the province of New Brunswick. Either reason, or a combination of both reasons, place the choking problem right on the doorstep of New Brunswick's representative in the government, the Minister of Labour. Either he has acquiesced where he should have spoken up and fought for the province, or he acted in unison with men like the hon. member for Charlotte (Mr. Stuart) in their expressed determination to block progress in my province merely because the people of my province had the good sense to throw out that decadent Liberal government in 1952 and replace it with the leadership we now have.

The Minister of Labour knew and was aware of the government policy, as stated in the Prime Minister's letter of January 14, 1955, which reads:

> The present government has no intention of abandoning the objective of the tax rental agreements which is to make it financially possible for all the provinces whatever their tax base to perform their constitutional functions themselves and to provide a reasonable Canadian level of provincial services without an abnormal burden of taxation.

We agree with this statement of policy. But here is where the Minister of Labour should have intervened with effectiveness. By the letters of the Prime Minister of January 6, 1956, and January 18, 1956, New Brunswick is being denied the right—and this was confirmed by the Prime Minister at the last interprovincial conference—to provide a reasonable level of provincial services without an abnormal burden of taxation. I have the figures here, with the schedules for all the taxes New Brunswick is forced to impose, and they prove conclusively that the over-all level of the New Brunswick tax rate is substantially higher than in any other province. Our premier, Hon. Hugh John

Flemming, submitted to the last interprovincial conference schedules and tabulations which prove that the burden of taxation in New Brunswick is the most onerous of any province in Canada.

In relation to the personal income of the people of New Brunswick, figures for 1953 show that our people had to pay 41 per cent more in taxes out of personal income than the average Canadian. Again we hold the Minister of Labour responsible for endorsing a federal government which keeps in the vise of federal indifference and antagonism the very province he is appointed to represent. I should like to quote an observation by our premier during the last interprovincial conference, when he said:

> It is an essential requirement of any provincial government to so manage its affairs that the credit of the province is maintained on a sound basis. This is particularly true for a province in the position of New Brunswick which at the moment is faced with very substantial, indeed I might say staggering, capital expenditures for the development of electric generating facilities, both hydro and thermal, to meet the needs of the new mining developments, the expansion of the pulp and paper industry and to provide the power required for the increase in service and secondary industries which these developments will normally bring in their train.

This government, with the Minister of Labour acquiescing and sitting idly by, has thus on the one hand recognized the need for financial help and with the other hand has kept on slapping New Brunswick in the face as it has been doing for the past 20 years. This attitude of the federal government is crippling the economic development of New Brunswick. Our expenditures, which must not exceed our revenues from all sources, are so limited that urgent essential services must be denied the people of my province. Thus the province of New Brunswick lies crippled, maimed and limping while Canada goes ahead and the Liberal representation from New Brunswick, headed by the Minister of Labour, keep right on being good little Liberal boys, seen but not heard.

The plight of New Brunswick does not stop with the refusal of federal financial assistance to permit the development of hydroelectric power. The refusal of the federal government to help New Brunswick has resulted in a reduction or postponement of essential services involving real sacrifices for the people of New Brunswick. The premier of New Brunswick told the Prime Minister about this at the last interprovincial conference, and these were his words:

> However, the rebuilding of a bridge which is inadequate and unsafe can only be postponed by expensive and temporary repairs, and only for a time; there is a definite limit to overcrowding in schools and the making-do with untrained teachers and inadequate facilities; to the patching of roads which are too narrow and winding to take modern traffic, and have an inadequate base, and so on. This limit, in New Brunswick, has been reached. For instance, for the coming year, we have to postpone certain road construction which is very greatly needed.

Needless to say the premier of my province has performed a fiscal miracle in doing as much in the past three years as had been done in the previous 17. But quite apart from the crippling consequences to our physical needs, education in New Brunswick is forced to suffer from lack of sufficient federal aid. In 1951 New Brunswick was spending $126·70 per pupil against a national average of $166·31. The needs of education in New Brunswick are apparent for all to see; a visit to most any of our back-country schools will confirm this, but it is also an indisputable fact that on an average New Brunswickers are being forced to pay, on a personal income basis, almost twice as much as is paid right across Canada.

In other words we have reached the limit in our ability to be taxed in New Brunswick. Even with the tax burden we bear—sales tax 3 per cent, tobacco tax 10 per cent, gasoline tax 15 cents per gallon, etc.—we cannot ever hope to come even close to providing the services and facilities in New Brunswick which would put our standard of living and opportunities for our children on a par with the national level.

I wish to refer to the synoptic report of the provincial legislature of the province of New Brunswick. This report is prepared by A. Malcolm McGowan, who has done a magnificent job in preserving the record of the debates in the provincial house in New Brunswick. In 1953 it very conclusively showed that the per capita income in New Brunswick was $757 compared with $1,465 for the province of Ontario. In other words our per capita income is about half that of Ontario, it is about half that of British Columbia, and it is about 90 per cent that of Alberta, Saskatchewan and Quebec.

We can do all the wishful thinking we care to, but the conclusion remains the same. Because of the position into which the federal government has forced us, New Brunswick is unable to provide her people with the opportunities and services available to citizens in all other provinces of this country. Confederation guaranteed that we would not be in such an inferior position. Mr. Speaker, there is only one solution under our present set-up, and that is to help us attain the same standards of living and opportunity which are enjoyed in Ontario, for instance. In January, 1955, the federal government recognized this fact and said it was willing to do something

about it for the four Atlantic provinces; but in January, 1956, it changed its mind and refused to grant the assistance needed and to some extent promised only a year ago.

There is only one answer to this attitude of arrogance and indifference. The time has come for the people of Canada to tell the federal government by their votes that if it will not do its duty toward the people of the maritime provinces, then it is time it must be made to stand aside and make way for a better government. Millions of voices across this great country cry for a chance to tell the government that we need a better deal.

Last winter I spent considerable time in the unemployment insurance office in Campbellton and Edmundston, and I personally looked into hundreds of cases where the fathers of hungry children had been waiting for weeks on end, in some cases for eight weeks, for the first unemployment insurance cheques. I personally visited homes all the way from Jacquet River to the far stretches of Madawaska county where the wives and children lived in abject poverty while the breadwinner waited patiently for the unemployment insurance cheque which never came until many weeks too late.

In many cases they complied with the very stupid directive forcing them to go to far-away places to cut pulpwood under conditions similar to those existing in Siberia. Some of them went; and quite apart from being forced to live under the most miserable conditions, they did not earn enough to pay their fares back home let alone provide for their families. Hundreds of men were ordered to go to La Tuque and many of them refused, and even the officials of the unemployment insurance offices themselves did not blame them in any way. Those who were smart enough to know what to answer were able to overcome the delay caused by the regulations and were able to get their unemployment insurance cheques after two or three weeks' delay, but hundreds of people who because of lack of education were not able to answer were cut off indefinitely and their cases originating many months ago are only now being settled. As the Minister of Labour himself answered me in writing, there were 7,102 of those cases which had to be referred to other offices where delays were encountered.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but it is my duty to inform him that his time has expired.

Mr. A. W. Stuart (Charlotte): Mr. Speaker—

Mr. McGregor: Let us have a repetition of your 1935 speech.

Mr. Stuart (Charlotte): What was that?

[Mr. Van Horne.]

Mr. McGregor: You heard it.

Mr. Stuart (Charlotte): No, I did not, sir.

Mr. McGregor: Give us a repetition of your 1935 speech.

Mr. Stuart (Charlotte): Mr. Speaker, I have just listened to the same speech that has been delivered in this chamber on every occasion that the hon. member for Restigouche-Madawaska has visited us since he has been elected.

Mrs. Shipley: Hear, hear.

Mr. Stuart (Charlotte): I did not interrupt the hon. member, but he brought my name into this question and I want to deal with this matter for a few minutes. I have not interrupted anyone, so I shall just speak about this briefly.

Mr. Van Horne: Our problems have not been solved since I came here.

Mr. Gauthier (Portneuf): You are a jumping jack, all right.

Mr. Stuart (Charlotte): Mr. Speaker, I realize that after sending his speech up to the press gallery last night the hon. member was very disappointed that he did not get an opportunity to speak. I realize it was a terrific disappointment, because he took three weeks at home to carefully prepare the speech; and because it is near payday we expected him to visit us again after spending those three weeks at home preparing the speech.

Mr. Van Horne: You know very well that we have more to do than to listen to this dim-witted, foul-mouthed saboteur of New Brunswick. You are a disgrace to this house. Your people will tell you what they think about you in the next election.

Mr. Stuart (Charlotte): I have heard that before.

Mr. Van Horne: You are a saboteur as far as New Brunswick is concerned; a traitor.

Mr. Deputy Speaker: Order. The hon. member who has the floor may not be interrupted without his consent.

Mr. Stuart (Charlotte): Ignorance never seems to affect me very much, Mr. Speaker, and there has been a great display of ignorance in the last two or three minutes. We have had similar displays on various occasions since the hon. member for Restigouche-Madawaska came here.

The hon. member mentioned in his remarks the 17 years of Liberal rule in the province of New Brunswick prior to 1952, but when he is able to advise me that they have been able to keep a Conservative government in that province for 17 years I invite him to

come back to me and talk; because—although it takes a little time—they will be put out. When they do, it will be like 1952, when they had five members out of 52. I notice that the hon. member for Saint John-Albert (Mr. Bell) last night spoke about this great victory they had. In New Brunswick in 1952 they were only able to elect five members out of 52, and that time will come again, because I have never yet seen the Tory that, given rope enough, will not hang himself.

The hon. member for Restigouche-Madawaska has also been very critical of the Minister of Trade and Commerce. I shall ask him to go back over the record since 1935, and then go back over the record since the time of confederation, and show me where any person in the political life of this country has ever made a greater contribution in that period of years or any other period of years. I feel that any member who criticizes the Right Hon. C. D. Howe is critizing a man who has done more to build this country of ours into what we have to enjoy today than any other Canadian in the history of this country. You may call it anything you wish; I have my opinion and many other Canadians have their opinions. When this election they are so anxious about takes place, he will be sitting over there with 175 Liberals behind him.

An hon. Member: But you may not be.

Mr. Stuart (Charlotte): I shall take my chance. I heard the same thing before the last election, that the Conservatives would sweep the country, but when the smoke-screen had cleared we came back.

Mr. Van Horne: Give us a new speech.

Mr. Stuart (Charlotte): I do not believe I have ever interrupted the hon. member as long as he has been here, but because I say something he does not like he does not want me to go ahead.

Mr. Van Horne: Give us a new speech.

Mr. Stuart (Charlotte): I am referring to the speeches the hon. member for Restigouche-Madawaska has given us when he has decided to visit us on a few occasions. Again today it is the same old theme song, bitterly critical of the loans this country has made to the unfortunate countries of the world. We have heard that on half a dozen different occasions since he came here. I am sure that those sitting with him in that group do not sympathize with those ideas. Any contributions we have made towards countries less fortunate than ourselves are, I believe, a step in the right direction. If we ever hope to have peace in this world, the only way that can come about is by helping your friends and neighours; it can come about in no other way.

Mr. Van Horne: We want help in New Brunswick. Give us a square deal.

Mr. Stuart (Charlotte): That is all I have heard from the Tories down there since they took over in 1952. When they took over in 1952 there was more revenue than they knew what to do with. The Liberals were wasting it. Ever since then, they have been going around hat in hand.

Mr. Van Horne: They did better than the Liberals.

Mr. Stuart (Charlotte): Just sit down and take it for a minute.

An hon. Member: Hornblower.

Mr. Stuart (Charlotte): The hon. member for Restigouche-Madawaska informs us the financial standing of New Brunswick is very good.

Mr. Van Horne: Better than when your people were there.

Mr. Stuart (Charlotte): You want to talk all the time. If you will listen for a minute, I shall explain what the position is. The position is better today because of the assistance the province is receiving from this government, and for no other reason. The subsidy payments to our province are nearly $7 million greater than in 1952.

Mr. Van Horne: Look what you are taking out of it.

Mr. Stuart (Charlotte): We are taking nothing out of it. We put $70 million in last year and—

Mr. Van Horne: Why don't you go to school?

Mr. Stuart (Charlotte): I did not have the opportunity to go to school like some people, but I can express my opinion as well as you can with all your schooling. In some cases an education is wasted, and I have seen examples of it in this house recently. The improvement financially, of which I speak in our province, is a result of the subsidy payments from this government to our provincial government in New Brunswick. Back in 1952 they wanted to do away completely with the sales tax.

Mr. Van Horne: That is another falsehood.

Mr. Stuart (Charlotte): In 1954 they took off 1 per cent of the sales tax.

Mr. Van Horne: You can tell more lies in a shorter time. I shall listen to no more.

Mr. Stuart (Charlotte): I am pleased you are leaving your seat.

An hon. Member: The train is leaving at six o'clock.

Mr. Stuart (Charlotte): It is train time, I know. The train leaves at 4.25. The hon. member has also been critical of what he calls our normal trading relations, and he mentioned trade barriers. The party with which the hon. member for Restigouche-Madawaska is associated are very strong believers in higher tariffs and have been since confederation.

Mr. Fleming: Don't be silly.

Mr. Stuart (Charlotte): The hon. member for Eglinton says, "Don't be silly." Then I shall give one example. In the election that was called in 1911, what action was taken at that particular time by the Tories in this country?

Mr. Brooks: What action was taken by the people?

Mr. Stuart (Charlotte): I am not questioning that at all; they had a perfect right to do as they liked. What did the Tories do? The old flag was waved from Newfoundland to British Columbia, and they said, "No truck or trade with the Yankees." I remember that. Today, in every speech they make they are criticizing something in connection with the dealings between the United States and Canada. My hon. friend from Saint John-Albert (Mr. Bell) made the same reference. He said:

> . . . the American-influenced drawl of the hon. member for Charlotte . . .

Those are the exact words he used; I took them out of *Hansard*. My drawl may be American influenced, but I can assure this house I am not ashamed of that.

Mr. Van Horne: That is from smuggling cigarettes.

Mr. Stuart (Charlotte): I have smuggled as much as you have but not one bit more. But I am honest about it and you are not.

Mr. Van Horne: I do not smoke.

Mr. Stuart (Charlotte): There are plenty of other materials you can take out.

Mr. Fleming: Mr. Speaker, the member has just said that another member of the house is not honest. Surely we have not come to the point where that can pass.

Mr. Stuart (Charlotte): I would like to say to the hon. member that the hon. member for Restigouche-Madawaska spoke for 40 minutes and at no time did I interrupt him.

[Mr. Van Horne.]

Mr. Deputy Speaker: There was a direct allegation that one member was not honest. Of course, that will have to be withdrawn.

Mr. Harris: On the same point of order, may I point out that the hon. member for Restigouche-Madawaska said that the hon. member for Charlotte could tell more lies in one sentence, and I lost the rest of it after that. So I think he ought to withdraw that.

Mr. Deputy Speaker: I did not hear the remark to which the minister has just referred. If such statements were made, they will, of course, also have to be withdrawn.

Mr. Stuart (Charlotte): I would rather have them on the record.

Mr. Deputy Speaker: Perhaps we can clear this up one stage at a time. I understand that the hon. member for Charlotte is withdrawing the allegation to which I refer.

Mr. Stuart (Charlotte): I should be pleased to, but I should like to have the other statement left on the record.

Mr. Deputy Speaker: Is the hon. member for Restigouche-Madawaska withdrawing his remark also?

Mr. Van Horne: No, I do not think I shall withdraw it.

Mr. Pickersgill: How about withdrawing yourself?

Mr. Deputy Speaker: If the hon. member has used the term "lie" or "liar" with respect to another member, he must of course understand that he must withdraw it, and I hope he will co-operate.

Mr. Van Horne: The hon. member for Charlotte made that remark—

An hon. Member: No.

Mr. Deputy Speaker: Do I understand that the hon. member has withdrawn?

Mr. Van Horne: No, I shall let it stand. I am going to make a statement.

Mr. Deputy Speaker: Order. The hon. member used a certain expression which I am sure on reflection he will wish to withdraw. On several occasions this afternoon we have heard the word "falsehood". I think that on one or two occasions I have not objected to that remark, but I think most of us will agree that an allegation that another member is telling lies is not the proper kind of language to be used in this house, and I hope the hon. member will co-operate.

Mr. Van Horne: Well, we cannot stand this saboteur of New Brunswick. It has got to the point in this house that every time

we get up to make a plea for New Brunswick this little pipsqueak gets up and tries to distort everything.

Mr. Deputy Speaker: Order. We had a previous ruling this afternoon on the word "distortion". I am not going to object to it in the way the hon. member has just used it but I really think that he should withdraw the allegation to which the minister referred after the hon. member for Charlotte so freely withdrew his allegation. It is simply a courtesy between one member and another.

Mr. Van Horne: But Mr. Speaker, this man was talking about high tariff barriers and I asked him merely, was that a reason why he should have—

Mr. Deputy Speaker: Order. Do I understand that the hon. member is withdrawing the words to which objection was being taken? If so, the hon. member for Charlotte should continue his speech, for after all he has the floor.

An hon. Member: Yes or no.

Mr. Stuart (Charlotte): Mr. Speaker, since this little tangle has been unravelled I will start again. The hon. member has said that he did not refer to trade barriers and to tariffs. I may have misunderstood him. However, I will read *Hansard* tomorrow. I was sure and I still feel quite sure that he referred to trade barriers and tariffs as they affect the province of New Brunswick and the maritime provinces.

Mr. Van Horne: That is why you said you had to smuggle.

Mr. Stuart (Charlotte): I am just suggesting that I thought that was what the hon. member said but I will watch *Hansard* carefully to see that it is as it was said. Why there is this attitude on the part of the hon. member for Restigouche-Madawaska (Mr. Van Horne) and others in his group towards our friends to the south is beyond my comprehension. They fail to realize the fortunate position we in this country are in through having 160 million friendly people of our own kind and creed to the south of us with an undefended border of 3,500 miles, and why they try to criticize and make little of that fact is beyond my understanding. These people are friends of mine. They always have been and I hope they will continue to be for many more years to come.

I will leave that as it is. I want to deal for a few minutes with some statements made last evening by the hon. member for Saint John-Albert (Mr. Bell). He made reference to my American-influenced drawl. That would prompt me to remind the hon. member that I was not born with a silver spoon in my mouth. Throughout my lifetime I have depended to a great extent for my bread and butter on those friends of mine to the south, and a great portion of the population of the county from which I come still depends on that same source for their living. That is why I have such a high regard for those people. In my dealings with them I have nothing to say but the best. Perhaps if the hon. member for Saint John-Albert had been obliged to go out and make a living for himself with his two hands in similar circumstances he might have had a different appreciation of those good friends of ours.

I have perhaps as many friends and relatives over the border as I have in my own country. I go back and forth over the border and I visit them. The only thing I can say is that two countries could not be found in any part of the world that are more alike than our two countries, and the closer we are together, the more friendly we are with one another, the better I like it. The more United States capital that comes in here to develop this country the better I like it. There is not a country in the world from which I would rather see capital come than from our neighbours to the south.

I have seen some of the efforts they have made in their own country, and in my opinion we are in the same position today as the United States was 30 or 40 years ago. We have raw materials which they need and we do not have the cash in Canada to develop all these raw materials and all the industries that we need in our country today. That capital must come from somewhere. Why should it not come from the United States, the people who are just across this imaginary line from us?

When the hon. member for Saint John-Albert was speaking last night he also made a few predictions about the result of the next federal election. These forecasts have been made on three different occasions since I have been here. I remember that prior to the 1953 election we were told that we might be able to hold two seats in New Brunswick. Well, we did a little better than that, and I would say without any hesitation in the world that when the ballots are counted after the next federal election we will have as many seats as we have now and I think one or two more.

Mr. Van Horne: Where?

Mr. Stuart (Charlotte): Whistling through the cemetery may salve a fellow's conscience, but whistle as you like there is not a Conservative member from New Brunswick today who will get an acclamation. He will have to go out and fight.

Mr. Pallett: That is an admission by itself.

Mr. Stuart (Charlotte): That is an admission by itself, and I can assure you that the maritime provinces will return as many or more members after the next election as there are in the House of Commons today. There is every reason why they should do so.

Mr. Van Horne: Talk about the provincial election.

Mr. Stuart (Charlotte): I have talked about that and I will talk about it again. Don't worry. The citizens of the province of New Brunswick do not lose sight of the facts. The hon. member for Saint John-Albert may try to convince them of the lack of attention by the federal government to the maritime provinces, but the maritime provinces are like other parts of Canada. There is no question that there are things that we want and need, but when any member gets up here and says that the federal government has ignored the maritime provinces he is saying something that is not true because, as I stated a few minutes ago, in 1955 the federal government spent over $130 million in the province of New Brunswick. The provincial legislature took from the citizens of our province in taxes about $25 million. Therefore the federal government spent five times the amount in my province that the provincial government took from the taxpayers.

Mr. Van Horne: What did we give up with respect to Sir James Dunn's succession duties?

Mr. Stuart (Charlotte): You did not give up anything because that has been paid over and over by the grant you have received. Let me tell my hon. friend that there will be $19 million that will be paid to the province of New Brunswick this year, but if these tax fields were given back to the province of New Brunswick the province could only collect about $6 million from the same source. Therefore the federal government is giving nearly $14 million as a gift. The hon. member cannot tell me what the tax rental agreement means to my province. He had better study it a little. Perhaps he would then be in a better position to discuss it.

Mr. Hodgson: How much taxes did the federal government take out of your province in the same period?

Mr. Stuart (Charlotte): I have the figures but I cannot quote them from memory. However, I will say that they took out far less than they turned back.

Mr. Brooks: On a point of order, the hon. member has said something that is absolutely incorrect.

Mr. Stuart (Charlotte): Not at all.

[Mr. Pallett.]

Mr. Brooks: The fact is that the province of New Brunswick has paid over twice what has been returned to it. I have looked up the figures myself.

Mr. Stuart (Charlotte): I can assure you, Mr. Speaker, that what the hon. member is saying is certainly incorrect because last year nearly double was put back into the province compared with what was taken out.

Mr. Brooks: I got the figures from the bureau of statistics.

Mr. Hardie: On a point of order, Mr. Speaker, are you going to allow the opposition to put closure on every Liberal speaker who stands up by making interjections?

Mr. Brooks: We are stating the facts.

Mr. Hardie: They are the ones who are putting on the gag.

Mr. Stuart (Charlotte): There is one reason the citizens of my province are very much interested in a federal election and I want to explain it. I have spoken of the $19 million which we will receive this year under the federal subvention. Every member in the house knows that the agreements between the provinces and the federal government were opposed in every way they could be opposed by the Leader of the Opposition (Mr. Drew). He used every argument he could bring to bear against these agreements. Therefore I take it that if he ever became prime minister he would discard them completely. Where would we be in New Brunswick without that subsidy payment from Ottawa?

Mr. Brooks: Don't talk nonsense.

Mr. Stuart (Charlotte): I am going to ask the hon. member for Royal (Mr. Brooks) to keep still for a moment and not interrupt. He loves to hand it out with that sanctimonious voice of his. He comes begging, begging and begging, but when the slightest bit of criticism is offered in reply to him he just cannot take it. He has got to sit there and growl, growl, growl all the time. I can assure you that all the people of New Brunswick do not have the opinion that the Tories have, and they will have a full realization of that when the ballots are counted in the next federal election. The people down there are not beggars. It is the provincial government that are the beggars. They have been begging ever since they took office in 1952. It has been a case of beg, beg, beg. I want to suggest right here—so it will be on the record—that if the provincial government in New Brunswick have an idea that all I am doing here is to be a tax collecting agency for provincial legislatures, they have got the

wrong member to deal with. I did not come here to be a tax collecting agent for the provinces.

When people try to tell me—Tories or anyone else—that we are not being treated fairly, I must disagree. I know there are things that we need. I recognize that fact. But let me suggest to the hon member for Restigouche-Madawaska (Mr. Van Horne) and the other Tory members here from New Brunswick that conditions are a great deal different now in New Brunswick than they were during the last five-year period that we had Tory rule, and no one can remember it better than I do. I want to mention one other fact when I speak about citizens in my province. Family allowances are of great benefit to the citizens of New Brunswick. No one knows that better than I do. That is another measure that was bitterly opposed by every means that could be found by the leader of the official opposition. It is on record all over this country. It is on the radio. It is in the press. It is in the records of the legislature in Toronto. It is everywhere. He said he would oppose it as long as he could stand on his feet. There are a great many people in my province who believe that if he ever became prime minister —and I do not believe he ever will—that is another benefit that we might expect to lose.

Mr. Van Horne: That is because of the lies you have told down there.

An hon. Member: Where is the withdrawal?

Mr. Stuart (Charlotte): I have suggested that this statement was made by the leader of the official opposition in connection with family allowances all across this country of ours. At this point let me say that it is not necessary to bring a tape recording into the lobbies in order to find out whether that is correct. It is in print on a good many different occasions, in radio speeches, in speeches in the legislature of Ontario and in other parts of Canada. Hence people down there are suspicious, and well they might be suspicious. I can look back on that period from 1930 to 1935 and what happened then. The hon. member for Restigouche-Madawaska speaks about hard times. I can assure him that if he could only look back to those years, those hungry 30's, he would realize what real hard times were. In his remarks today—and he was perhaps out of order because he had been ruled out of order—he made mention of the fact of the money that was lent to Trans-Canada Pipe Lines. We realize that has been an issue for the Tories for several weeks back. But I wonder whether he would ever stop to realize during this period I have mentioned—those hungry 30's—the loan that was given to the C.P.R. by the prime minister of this country at that time, that was made by order in council. It was not tabled until the next session of parliament but it constituted 20 per cent of the total revenue of this country, and as I stated in the house here a few days ago, the C.P.R. at that time was owned over 80 per cent outside of Canada. I never heard any criticism of that, but that is what transpired in 1933. It was not even of sufficient importance to call parliament together. The loan was made by order in council and, as I say, it constituted one-fifth or 20 per cent of our total revenue in that particular year.

An hon. Member: It was not the same thing.

Mr. Stuart (Charlotte): No; it was not the same thing because a Tory did it. That is exactly the point.

An hon. Member: They can do no wrong.

Mr. Stuart (Charlotte): Mr. Speaker, I have taken more time than I had intended.

Mr. Brooks: I have heard all that so often. For 15 years I have heard the same speech.

Mr. Stuart (Charlotte): I will suggest again to the hon. member for Restigouche-Madawaska, since he has been so sarcastic, that I did not have a written speech that I had sent up to the press gallery before hand and then had to call it back because I did not get a chance to speak. I did not have to write a speech.

Mr. Brooks: You make the one speech.

Mr. Stuart (Charlotte): That is all I am obliged to make to reply to the hon. member for Restigouche-Madawaska or the hon. member for Royal because they make the same speeches every time they get to their feet. All I ever hear from either of them is, in what is called plain language, bellyaching. I picked up a little note in the *Citizen* last night. It says that any fool can criticize and condemn and most fools do. That does not apply to my hon. friends, Mr. Speaker; but to me there is a great deal of food for thought in that statement.

Before I leave Ottawa this session I should like to hear one Tory member from New Brunswick get to his feet and make one single constructive speech before this parliament adjourns. I should like to hear one constructive speech instead of just criticism, bellyaching and begging all the time.

An hon. Member: What do you call it?

Mr. Stuart (Charlotte): That is all I listen to. I am obliged to get up after listening to some of the things that have been put on

the record by the hon. member for Restigouche-Madawaska which it should not be necessary that he put on the record because he has plenty of time at his disposal. He has plenty of time in which to prepare a speech. As to the one he made today, there was plenty of preparation put on it, but it is the same material he used on six or seven different occasions. He spoke about the money that was being spent down there at some particular spot in his constituency. May I tell him before I resume my seat that during this last provincial election campaign which just finished a week ago in the section from which I come the Tories put on lobster dinners and they put on turkey dinners. They put on any kind of dinner that they wanted. I was at Grand Manan island and I looked in the auditorium of the school and found they had prepared for 150 lobster dinners paid for by the Tories. There were free moving pictures. There was everything provided for free dances.

The hon. member for Restigouche-Madawaska tells about the great need of assistance down in the section from which he comes. I can assure him that if one-tenth of what they spent there on the election campaign had been used to alleviate that sort of situation, conditions in his own county might be a great deal better. I do not want him to tell me about where the Liberals wasted money because I was down there for a few days and in those few days I saw money being spent in an election campaign as it never has been spent before in the province of New Brunswick since it has been established. So do not tell me about what they cannot do, that they cannot find money for this or that they cannot find money for that. There is plenty to use in an election campaign. But after it is over, it is the same thing. They went down there and told us in New Brunswick that everything was well; that we did not have a worry in the world; everything was going well; we could finance the whole situation ourselves, we did not have to depend on anyone else. But the very minute the ballots were counted what do they do? They wait a few days, then prepare a speech, come back here, with the hat again to pass around among the federal Liberals here in order to get a little more assistance for our province.

In closing I just want to say again that I realize that we need assistance with respect to different things down there but I believe that those who are sincerely seeking that assistance might go about it in a different way. They cannot continually condemn, day after day and week after week. I have never heard one of them speak a kind word in connection with anything the federal government has ever done, not one single kind word. The hon. member for Royal (Mr. Brooks) who is sitting there now has an enormous army camp down there where well over $100 million has been spent. But I have yet to hear him make a kind remark in connection with it, and it is in his own constituency. A great deal of the prosperity that is enjoyed in that area is based on the fact that we have that army camp there.

Mr. Brooks: And I suppose you did not want it in your constituency?

Mr. Stuart (Charlotte): Who did not?

Mr. Brooks: You did not.

Mr. Stuart (Charlotte): I certainly did want it. I fought as hard as I could for it, and I only wish it were in my constituency today. This is the thanks we get.

Mr. Brooks: Ah-h.

Mr. Stuart (Charlotte): You heard that remark, Mr. Speaker. He said "ah-h". But if that camp had been built by the Tories he would be up on his feet now, flinging his arms around and shouting, "Look what we did for the province of New Brunswick". But because it was built while we had a Liberal government and it would have to be during that time because we will never have another Tory government—he is sore and it is just of no benefit to anyone. I am going to ask him again—

Mr. Brooks: I rise on a question of privilege. The hon. member says I said the army camp was of no benefit to anyone. He never heard me make such a statement and I never made such a statement in this house or anywhere else.

Mr. Stuart (Charlotte): I did not say that. I said he had never given any credit to anyone for it. I did not say that you said it was no good.

Mr. Van Horne: That is another falsehood.

Mr. Stuart (Charlotte): You misunderstood me.

Mr. Brooks: I want to correct another statement. I was the first one who requested that an army camp be established in the province of New Brunswick.

Mr. Stuart (Charlotte): I want to contradict that immediately because I knew there would be an army camp in New Brunswick six months before the hon. member for Royal (Mr. Brooks) ever heard of it, so that little bit of political propaganda will not go over.

Before I resume my seat—

Mr. Brooks: The records can prove it.

Mr. Stuart (Charlotte): The records might prove it, but you know we who sit on the government side do not go around boasting. There are so many things we know about that we do not go around boasting. Questions are asked here in the house and we already know the answers. I have seen the hon. member for Royal get up and ask about the Passamaquoddy dam. He has no interest in the Passamaquoddy dam, not one-tenth of the interest that I have. He got up and asked a question and I had the answer. He thinks he is doing a great job when he gets up, as I have seen him do, and say, "I should like to ask the Secretary of State . . ." this or that. Then, the Saint John *Telegraph-Journal* headlines the question and says this shows the interest the member takes, but I had known two weeks before he asked his question.

Before I resume my seat I have these figures that I want to give. The total collections in the province of New Brunswick for 1954-55 from all sources amounted to $45 million. Now, that is what we took out from all sources, in taxation to the federal government. We put back $130 million and I will ask the member to judge if we are getting a raw deal.

Mr. Brooks: I should like to ask the hon. member where he gets those figures.

Mr. Stuart (Charlotte): I have them in my office, but I know they will be the same.

Mr. Brooks: He gets them from his office, but I got mine from the bureau of statistics.

Mr. Stuart (Charlotte): Of course, I would realize that the figures the hon. member for Royal has and the figures I have would not agree. I am going to suggest to him that he get up in a better mood than he is usually in and give us one speech, even if it is only for five minutes, giving this government which has done so much for the Canadian people one little bit of credit, and then I will go home happy.

Mr. Bell: You will never be happy after June 18.

Mr. C. E. Johnston (Bow River): In rising to take part in this debate, I should like to take a little time to see if we cannot get away from the provincial elections. I have been sitting here wondering if possibly the purpose of this motion was the discussion of some of the provincial elections. However, let me read it to you so it will be on *Hansard*:

> In the opinion of this house the Prime Minister should give immediate consideration to the advisability of bringing about the dissolution of this parliament and the calling of a general election as soon as possible.

I just wish to say one or two words about the underlying principle of this motion, which is not that of non-confidence as we ordinarily understand it, but which is rather part of the unscrupulous behaviour of the Conservative party as expressed by them during the pipe line debate. We did not stoop to such low levels then, nor will we now, no matter what the disguise might be. Therefore, we Social Crediters will vote against this motion, knowing what it involves. We have voted non-confidence in this government and in the Liberal party on other occasions and we shall probably do so again but it will be done in a straightforward manner.

I can recall that during the first session we had after the last election the Conservative members were claiming that the government should go to the country. Last year I will bet there were 100 occasions upon which they said the government should call an election. I do not see what they hope to benefit from it, Mr. Speaker, because I am sure the people of Canada generally will not return as many Conservatives next time as they did the last time. I quite understand—

Mr. Hodgson: You cannot see it because you are in the same bed with the Liberals.

Mr. Johnston (Bow River): —the eagerness of the Leader of the Opposition (Mr. Drew) to go to the country now. The reason is apparent because he has failed in two general elections to make any material improvement in the Conservative party and if he does not make a better showing the next time then the Conservatives will kick him out. He need not think for one moment that we are going to be drawn into such a net as that and vote for this unscrupulous motion.

Now, I want to turn my attention to a problem which I think it would have been more in keeping with the Conservative party to have made a motion about rather than a motion asking for a general election, which they really do not want. I refer to the question of the recent increase in freight rates. May I say to some of the Conservative members from New Brunswick and the maritimes generally that what I am about to say concerning these increased freight rates applies just as much to the maritimes as it does to western Canada. I would have thought, since the matter is so important to the maritimes, they might have been giving some consideration to it and in that way help the people of the maritimes more by relieving them of this unnecessary increase in freight rates rather than appealing for another federal election.

This recent request by the railways for a 15 per cent increase in general freight rates is one that is going to affect all of Canada.

It is not going to affect central Canada, Ontario and Quebec as much as it does the other part of Canada, for very obvious reasons with which I shall deal later. The board of transport commissioners decided, without a full and complete hearing, to grant this interim 7 per cent increase. As I say, this was done without ever hearing the completed appeal from the provinces, seven of which were protesting. It is rather obvious how that came about. When this 15 per cent, seven per cent of which is already applied, is levied it is going to be levied not on the provinces of Ontario and Quebec, because they are in that area which is considered to be the competitive area. The railways are allowed by law, under any general freight rate increase, to apply that increase in the non-competitive areas. These non-competitive areas are the maritime provinces and western Canada. Once again we are going to bear the burden of these tremendous railway freight increases.

It would have seemed rather fitting, Mr. Speaker, if the board of transport commissioners had refused to grant any interim increase until the provinces were able to make their complete case. Of course, there were submissions made to the board of transport commissioners but it was on June 18 that this interim increase of 7 per cent was granted. As I say, seven of the provinces had protested, and the only ones who did not were Ontario and Quebec. May I just ask the Conservative members in this house from the maritimes why they have not heard their leader come out and complain against this increase? We have heard lots of complaints in the last few days about the pipe line because western Canada was going to get some benefit from that. Now, since Ontario and Quebec are going to get the major advantage from this increase you have not heard the leader of the Conservative party say one word and you will not either, make no mistake about it. He knows which side his bread is buttered on.

Mr. Van Horne: Don't be so foolish!

Mr. Johnston (Bow River): Did you hear him say anything about it? Of course, you did not. The only reference made by Conservatives was a passing one. You were more concerned with your provincial political affairs than you were with national problems. Don't butt into me when I am talking.

Mr. Charlton: What about yourself on the pipe line?

Mr. Van Horne: You did not get very far in New Brunswick.

[Mr. Johnston (Bow River).]

Mr. Johnston (Bow River): We did not do the political graft and skulduggery that you did, and I may tell you about that.

Mr. Van Horne: What do you mean?

Mr. Johnston (Bow River): What do I mean? You are more conversant with that because you were probably one of the ringleaders.

The Acting Speaker (Mr. Applewhaite): Order. I think perhaps—in fact, I am quite sure—that even in the heat of the political exchanges that we are having in this debate a direct accusation of political graft addressed to a member should be unequivocally withdrawn.

Mr. Johnston (Bow River): I did not say that he did. I was saying there was political graft there and the evidence is very clear.

Mr. Dufresne: You said he was one of the ringleaders.

Mr. Johnston (Bow River): He probably was.

The Acting Speaker (Mr. Applewhaite): Order. Perhaps I might draw the attention of both hon. gentlemen to the fact that I am on my feet. I would ask the hon. member for Bow River, since I have drawn this to his attention, to make it quite clear and specific that he was not accusing the hon. member for Restigouche-Madawaska of political graft.

Mr. Johnston (Bow River): I did not say he was, Mr. Speaker. If I did not say it, how can I be expected to withdraw something I did not say. He was the one who was interrupting me; I was not bothering him.

The Acting Speaker (Mr. Applewhaite): I am not trying to put words in the hon. member's mouth. I am asking him to make it clear because the record will make it appear as though he had charged the hon. member for Restigouche-Madawaska with political graft. I am asking him to make it clear that he did not so charge.

An hon. Member: He did.

Mr. Johnston (Bow River): Charge him with what?

The Acting Speaker (Mr. Applewhaite): That he did not charge the hon. member for Restigouche-Madawaska with political bribery.

Mr. Fleming: And skulduggery.

The Acting Speaker (Mr. Applewhaite): I do not know whether the other term is unparliamentary.

Mr. Johnston (Bow River): That is right. I agree with that. I cannot say that he did not give the loads of gravel, but there were lots given.

Mr. Dufresne: On a point of order—

The Acting Speaker (Mr. Applewhaite): I do not want to be harsh in this, but I heard the hon. member for Bow River—and I do not know what was in his mind—and I do know how his words will appear when they go out in *Hansard*. All I am asking him to do, because I must ask him to do it, is to make it clear that he was not making a personal charge of political graft against the hon. member for Restigouche-Madawaska.

Mr. Johnston (Bow River): Mr. Speaker, I say unhesitatingly that I did not accuse the hon. member for Restigouche-Madawaska of driving those gravel trucks. I never saw him on them. I cannot say he had anything to do about political graft; I did not say that.

Mr. Van Horne: On a point of order—

Mr. Johnston (Bow River): Were you on the gravel trucks? Sit down.

Mr. Van Horne: All the members of the Social Credit party lost their deposits. The hon. member has no right—

The Acting Speaker (Mr. Applewhaite): Order, If the hon. member for Restigouche-Madawaska is rising on a point of order, he will please state it as briefly as possible.

Mr. Van Horne: I insist, Mr. Speaker, that he withdraw his entirely false accusation.

The Acting Speaker (Mr. Applewhaite): The hon. member knows as well as I do that what he is doing now is debating. I will say this to the hon. member. If he considers that some statement which has reference to him or to his speech is being misinterpreted by the hon. member for Bow River he will have an opportunity to make his correction at the end of the speech of the hon. member for Bow River. I rose on the personal accusation. That has been made clear. The hon. member for Bow River should now proceed to make his speech.

Mr. Van Horne: He made another one.

Mr. Johnston (Bow River): I was just trying to help those fellows out and they do not appreciate it. What I was trying to point out was that they should get some more support from the members of the Ontario Conservative party to fight this increase in freight rates.

Mr. Dufresne: I rise on a point of order.

Mr. Johnston (Bow River): Who has the floor?

Mr. Dufresne: I am rising on a point of order.

Mr. Johnston (Bow River): How many points of order have you?

Mr. Dufresne: The hon. member for Bow River said in his speech that there was some political graft in New Brunswick and that the hon. member for Restigouche-Madawaska was probably one of the ringleaders. I am asking Your Honour to have the hon. member withdraw the whole statement.

The Acting Speaker (Mr. Applewhaite): The hon. member has clearly done so. He said that he did not make the statement that I accused him of making; that is, that he did not make the personal reference to the hon. member. I am not going to stand here and rule unparliamentary the accusing of a political party of things which perhaps are not too ethical because I am sure that every party in this house has been accused by every other party of doing what should not have been done on many occasions. The hon. member for Bow River.

Mr. Johnston (Bow River): Mr. Speaker, now that that little flurry is over I would like to point out to the house again that in my judgment one of the most important things that we should be discussing now is the increase in freight rates. I did point out that this increase affects the maritime provinces just as much as it affects the western provinces. I also want to point out that in the application of those freight rates one of the industries affected, particularly the one in western Canada that I am more closely associated with and therefore more familiar with, is that of agriculture. Agriculture stands to lose a great deal because of this increase in freight rates. Industry in central Canada is not in a position similar to that of agriculture because no matter what freight rates may be applied in those competitive areas there is an opportunity for industry to pass the cost along to the consumer, and they do that on every occasion. But agriculture has not that privilege, and therefore we must take very careful cognizance of the increase.

It has been suggested that in Canada the national product this year will be $28 billion. That of agriculture, of course, as everyone knows, is away down. An increase in freight rates at this time is certainly not going to do agriculture very much good. I doubt very much whether the railways really do need the increase that is being granted. Seven per cent has already been granted, and another 8 per cent will probably be granted after the final hearings in September.

Request for Election and Senate Reform

A good article appeared in the *Western Producer* dealing with whether or not the railways could have absorbed this increase. The railways claim that the increase was necessary because of the increased wages they had to pay to their employees. The *Western Producer* of Thursday, June 14, had this to say in an article entitled:

Pool Brief Says Railways Should Be Able to Absorb Their Present Increase in Costs

The article says in part:

In the application of the railway association for a 15 per cent increase in general rates, it is contended that railways are not enjoying their just share of the national prosperity. Nevertheless, operating income of the C.P.R., the yardstick company for rate-making purposes, amounted to $37,400,000 during 1955, the highest annual level recorded during the past 10 years with the exception of 1950.

Based on these railway operating statistics and the cash farm income position outlined previously, it is our contention that the Canadian railways are in a much better position to forgo increased freight rates at the present time than is the farm industry to pay another 15 per cent in general rates. We can see no reason why the farm population, which still constitutes a large percentage of our population, should be burdened with further increased expenses which they are unable to pass on to anyone else.

The wheat pool and other organizations representing farm people have appeared before your board in opposition to proposed freight rate increases probably more often than the representatives of most other major industries. The reason is the fact that farm people are much harder hit by increases in freight rates and increases in prices of consumer goods than any other group.

They were not the only ones who were concerned about this. Let me just refer to the *Wheat Pool Budget* of June 22, which says:

Freight Increase Protested

The Canadian federation of agriculture has protested the granting of an interim increase in freight rates, declaring such a move both unnecessary and unreasonable. In a submission filed with the board of transport commissioners the federation pointed out that the present failure of agriculture to share in the general Canadian prosperity means that a further rate increase would impose an unfair and unreasonable burden on the farmers. Farmers could not pass on the burden of increased freight rates to consumers of farm products, but as heavy users of transportation services, increased freight rates would place a double burden on the farmer. They would reduce the price he receives for his products, and increase the price of farm supplies and equipment.

The C.F.A. said that even if increases were granted they should not apply to farm products. It suggested greater efficiency on the part of the railroads.

I would like to emphasize that last sentence where they say that greater efficiency on the part of the railways might improve their position. Let us have a further look at the reason for this increase in freight rates. The railways have suggested that it was necessary because of the demand of the unions for increased wages; but, of course, in their submission that is not so. Not only do they outline the necessity for more revenue to pay wage increases but they contend, as they always have, that they want to maintain their fixed charges, dividends and surpluses and they want to have sufficient revenue for those purposes. It is not for the sole purpose of meeting the increase in wages which was the result of the last arbitration.

When we are considering the revenue of the railways it is most unfair of the board of transport commissioners not to take into consideration the tremendous amount of revenue which is derived through hotels, the oil rights held by the railways from which they are receiving millions and millions of dollars, and the smelters in British Columbia. None of these revenues are considered when we are granting this ultimate 15 per cent increase in freight rates. These are the sources—the hotels, oil rights, smelters and all the other subsidiaries—from which the railways are receiving a tremendous amount of money. When anyone says the railways of this country are hard up I suggest they have another think coming because the railways are better able to absorb this increase due to wages than are the farmers able to absorb an increase in freight rates on the movement of their products.

Let us just review for a moment the increases the railways have had since the spring of 1948. I refer again to the publication *Wheat Pool Budget* dated June 22, 1956, which contains a table showing the rate increases granted the railways since the spring of 1948 as follows:

	Increase Per cent	Cumulative Per cent Increase
April 8, 1948	21·0	21·0
Oct. 11, 1949	8·0	30·7
Mar. 23, 1950 (16 per cent in lieu of 8 per cent)	7·4	40·4
June 16, 1950 (20 per cent in lieu of 16 per cent	3·4	45·2
July 26, 1951	12·0	62·6
Feb. 11, 1952 (17 per cent in lieu of 12 per cent)	4·5	69·9
Jan. 1, 1953	9·0	85·2
March 16, 1953	7·0	98·2
July 3, 1956	7·0	112·1

Just see how the railways have been increasing their rates since 1948; and now they come and ask for a further increase.

Mr. Speaker, this is indeed putting western Canada and the maritimes in a most difficult position. It is putting us in a position which makes it next to impossible for us to develop our industries. Some of the maritime speakers referred a moment ago to the lack of industry in the maritimes. How can they ever expect to get an increase in the industrial field if they continue to have these cumulative

freight increases piled on their backs? We have had that experience in western Canada. It has been most difficult for us to get any industries located there because of the unfair freight rates. These freight rates impose an unbearable burden upon agriculture, one of our greatest industrial assets in western Canada. There should be some decided improvement in these conditions.

I would like now, Mr. Speaker, to refer to a particular illustration or example of where this has created an unfair burden upon western Canada. I wish to refer to the agreed charges. It is not my intention to criticize the agreed charges at this moment but I want to show how they bear a direct effect upon the burden the maritimes and western Canada will have to carry when this further 8 per cent increase is granted to the railways in compensation, as they say, for the loss of their revenue due to wage increases.

It has been stated that the agreed charges and competitive rates represent about 30 per cent of the traffic of the Canadian Pacific Railway and that company is used as a yardstick in these arguments. If that is so it is clear that 100 per cent of the increase is going to be applied to 70 per cent of the traffic. In other words, that means that 100 per cent of this proposed increase is going to be applied on 70 per cent of the traffic and that 70 per cent lies in those areas which are in the non-competitive field. That does not include Ontario and Quebec because they are in the competitive area, as I stated previously in my remarks.

Let me refer to one particular item. In the case of farm machinery from Ontario to western Canada there will be charged 100 per cent of this 7 per cent increase—and ultimately of the 15 per cent increase—while automobiles shipped to western Canada from the east will get no increase because they are entrenched under the agreed charges contract. It is an amazing thing that wherever there has been competition from trucks on items that trucks can carry the railways have succeeded in putting all of those under agreed charge contracts, and now when they go to apply this 7 per cent increase in freight rates the agreed charges are not going to be touched because they are already protected by legislation and by contract. The entire 100 per cent of this new increase is going to be applied on these commodities which trucks cannot handle and which are not in the competitive area of Ontario and Quebec and therefore western Canada and the maritimes are going to be soaked the total increase of this new interim payment which the railways are receiving. Surely no one can consider this is a fair and proper deal to put over on other parts of Canada.

Again we have steel plate going to Vancouver which pays $1.10 and takes no increase under this "first aid" treatment, as it was referred to by Mr. Justice Kearney, but Edmonton and Calgary—paying $2.80, over two and a half times as much as Vancouver must pay—must pay the 100 per cent increase.

All this steel plate which is being shipped to the prairie provinces and the maritimes is going to pay the full 100 per cent increase but those commodities which are shipped through to Vancouver are going to get protection because of the agreed charges. No wonder I have condemned agreed charges ever since 1938 because I could see exactly what they were leading to. I ask you, where is the justice of this? How can anyone say this is an honest, impartial application of this 7 per cent increase? The method of applying the freight rates is making it impossible to establish industries in the maritimes and in the western provinces.

In a minute I shall have to conclude, but I want to say this. If there is to be an application of this increase, then it should be applied uniformly across the freight rate structure. That is pointed out by the Edmonton chamber of commerce in this resolution:

> Whereas the Board of Transport Commissioners has announced its plans to grant the railways an interim increase in freight rates, subject to review next September;
>
> Therefore be it resolved that the Edmonton chamber of commerce requests the Board of Transport Commissioners, in reviewing the general increase in freight rates, to order the railways to apply any increase which the board may see fit to grant, as uniformly as possible to all existing rates, excepting those rates fixed by statute; and
>
> Further requests that the railways be required to show cause where they propose any departure from such uniform application.

Without question, the last reference was to make the railways show cause and reason why these increased rates for which they are asking should not be applied on agreed charge contracts as well as on the general freight rate structure. If that were done, there might be some excuse for granting this increase. If the railways need it, and I doubt very much that they do, then every effort should be made to see that this rate is applied uniformly across the country except under those conditions where the freight rate is written out by statute.

Mr. Thomas M. Bell (Saint John-Albert): On a question of privilege, the hon. member for Bow River, who has just taken his seat, seems concerned about the fact and he also left the impression that those of us in the maritimes are not worried as much as we should be about freight rates. Whilst I appreciate his interest on behalf of the maritimes, I would refer him to the speech made

yesterday by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), the first speaker from the maritimes in this debate, who dealt extensively with the freight rate problem. In fact, he spent over half of his speech on this subject.

Mr. Donald D. Carrick (Trinity): I should like to take the opportunity of speaking shortly on this motion because I have a few ideas I should like to express that have been disturbing not only me but many members of the public in connection with the type of opposition that is being met with by this government in this house.

I read over the speech of the Leader of the Opposition today and I listened very carefully yesterday when he spoke, with a view to ascertaining exactly what the grounds were on which he supported this motion that the Prime Minister dissolve this house immediately and call an election as soon as possible.

The foremost ground put forward by the Leader of the Opposition, without referring to details of the recent gas pipe-line debate, is that the Speaker of this house and the Deputy Speaker and deputy chairman of committees were dominated by the government in this house and that their position has been called into question. Under the ruling that the Speaker has given, it is not permissible for me to refer to details of that debate, and I shall refrain from doing so. I simply want to make the observation that it is my firm conviction that any person reading that debate could come to no other conclusion but that the officials of this house whose position has been challenged acted honourably and impartially and free from any pressure by this government.

I also point out to the house that nobody has called into question the position of the officials of this house except the official opposition. It would be an absurd position if this house were in the position where, because the opposition calls into question the conduct of the officials of this house—and I may say, sir, calls them into question improperly—they could therefore, upon the basis of that demand, feel justified in obtaining an election.

The second ground advanced by the Leader of the Opposition is that a member of the cabinet, the representative of the government in the other place, has bent to the will of this government in the discharge of his duties in the other place and that he has procured the other members of the house to bend to the will of this government. I point out to the house that the Leader of the Opposition has not adduced the slightest evidence to substantiate such a charge. It is difficult for me to realize how a man could be in public life as long as he has and make serious charges of that kind without endeavouring to persuade this house in the slightest degree that the charges are substantiated by adducing any evidence to this house.

I am not permitted to refer to the debates that took place in the other place, and I do not intend to do so, but I want to say that from talking to people who heard those debates their reaction was that the other place could reach no other conclusion but that the gas pipe-line bill should be approved, and approved expeditiously.

The Leader of the Opposition has urged that this government has lost the moral right to govern this country. I say that that is simply not true. This government did nothing in the gas pipe-line debate and in the applying of closure that it was not entitled to do and that was not completely proper, and the people of this country are wholeheartedly still in favour of the present government continuing to administer the affairs of this country.

The last accusation of the Leader of the Opposition is that the Minister of Trade and Commerce bent this house to his will. This is another type of charge which it is difficult to meet, as many charges are when accusations of this kind are made, but it is completely untrue.

I point out to this house that the whole cabinet supported the Minister of Trade and Commerce. Eight members of the cabinet spoke in support of this resolution and the subsequent bill, and I estimate that about 60 members from the government side did so. I know that hon. members from time to time make light of the support given by backbenchers on this side to measures of the government. I ask them in all sincerity if it is not the practice in Canadian politics for members of every party to support their own party in so far as their conscience permits them to do so. I have not made a check on the debates and proceedings in this house, but I dare say that if a check were made it would show that the members of the C.C.F. party and the Conservative party support their leaders to just as great an extent as the members of this party support the government. I can tell them that, in connection with the gas pipe line, there was no doubt whatsoever about the sentiments of this party. They were wholeheartedly in favour of it because they believed that the gas pipe-line bill was a good thing and they realized that the only way of putting a bill through and having the majority express its wishes in this house was by the application of closure.

The matter that somewhat disturbs me and is disturbing to many other people in this country is what I describe as the evil tendency of the opposition to denigrate and belittle and attack the integrity of men who are occupying prominent positions in this government and this country. I simply point to this motion. The basis of the attack in this case is against the three officials of this house and against the government leader in the other place and, indirectly, against all members in that other place and against the Minister of Trade and Commerce. In any country this would be a serious enough thing, but this is not a sporadic, unpremeditated episode. It is part of a systematic attempt on the part of the Leader of the Opposition (Mr. Drew) to undermine public confidence in the integrity of the men who are directing the affairs of this government. When I say it is not something unpremeditated and that it is a systematic attempt, I need only refer to what has happened in this parliament on other occasions. I will not go into the particulars of the debates because I do not want to transgress against the rules, but I point out that the same type of attack has been levelled against the Prime Minister (Mr. St. Laurent) in connection with the debate on external affairs. He was accused of not being candid with parliament. I consider that an attack upon his integrity. He was accused of withholding information that the house was entitled to receive.

But there has recently been some little change of direction in the attack upon the Prime Minister of this country. The reason must be perfectly obvious. It must be realized that with the ordinary men and women of Canada his reputation is beyond reproach. As a result we see some of the second lieutenants called into action such as the hon. member for Broadview (Mr. Hees) who made a speech the other night in which he referred to the Prime Minister as being old and tired. On what basis? Because he only participated about four or five times in the gas pipe line debate. That may indicate weariness and lack of interest to some members of the opposition but I will tell you what it indicates to the public. The people of Canada believe that the Prime Minister of this country was too much of a gentleman, too much of a statesman, to stoop to lower himself to the political gutter because the Leader of the Opposition did in the pipe line debate.

Mr. Argue: Pretty feeble.

An hon. Member: Go on back to Saskatchewan where you belong.

Mr. Fleming: On a point of order, I am not sure that I heard all of the concluding remarks of the member for Trinity but if I did hear correctly it seemed to me he was saying that the Leader of the Opposition, in the course of a certain debate, had descended to the political gutter of debate. If I heard correctly, that is a completely unparliamentary remark—

Mr. Pickersgill: Nonsense.

Mr. Fleming: —and I am rather surprised to hear such a remark come from the member for Trinity. I ask you, sir, to direct the member to withdraw an aspersion of that kind.

Mr. Pickersgill: More of this thin-skinned stuff! Childish!

Mr. Carrick: I am willing to say that perhaps that was a little extreme. I do say, however—

Mr. Fleming: Withdraw it, then.

The Acting Speaker (Mr. Applewhaite): The hon. member for Trinity should be allowed to explain.

Mr. Carrick: I withdraw it. I simply say that the Leader of the Opposition involved the house in a low level of debate, a level which it has not reached in many years and of which the country as a whole disapproved, and I lay that at his doorstep.

An hon. Member: Look at the Gallup poll, Don.

Mr. Carrick: Lastly, we have before us in this debate accusations levelled against the Minister of Trade and Commerce (Mr. Howe). That is nothing new to the house. There has been a calculated attempt to destroy him in the opinion of the public which began last year with the Defence Production Act. We saw a follow-through on it in the external affairs debate and now we see a follow-through on it with the accusation that he has endeavoured to bend parliament to his will. I say, Mr. Speaker, that nobody in this country can say anything that can destroy what the Minister of Trade and Commerce has done for this country. I say to hon. members opposite: Let them contrast what happened during the last war, with not a breath of scandal even though millions of dollars were passing through the hands of the government, with what happened in the first war. Does anybody suggest for a moment that the Minister of Trade and Commerce is not completely honest? Even the opposition sit silent on that question. They are willing to make charges on the public platform, to suggest by innuendo and influence that he is not a man of integrity, but I face them now with

the actual charge and I say: If you do not believe he is a man of integrity and honesty, say so now.

Mr. McCullough (Moose Mountain): What about the Bren gun scandal?

Mr. Carrick: The Leader of the Opposition may be under the impression that these personal attacks upon members of the cabinet, officials of the house, the leader of the government in the Senate and the members of the Senate, are winning him some votes. I can tell the hon. gentleman that he is gravely mistaken. Millions of decent men and women in this country object to politics being conducted in that way.

Mr. Pallett: What is this, a personal attack?

Mr. Carrick: They say that the Leader of the Opposition or any person who conducts himself in that way is not a big enough man to be prime minister of Canada.

Mr. Churchill: That is a personal attack.

Mr. Carrick: Furthermore, they are suggesting what is obvious to everybody. If it must be the policy of the official opposition to centre their attack upon individuals—

An hon. Member: That is what you are doing.

Mr. Carrick: —and challenge the integrity of the members of the government, there must be an explanation. The explanation has been patent to everybody for the last twenty years. It is patent to them at the present time. The only reason they do it is that they have nothing else they can talk about to commend themselves to the voters and they mistakenly think that by making personal attacks on these people they are going to succeed in winning votes. I tell them they are gravely mistaken.

An hon. Member: Who is mudslinging now?

Mr. Carrick: Mr. Speaker, nothing has been advanced by the Leader of the Opposition or by his supporter, the hon. member for Rosetown-Biggar (Mr. Coldwell), to indicate that the government should dissolve the house at this time and call an election. We are enjoying a period of prosperity unprecedented in the history of Canada.

Mr. McCullough (Moose Mountain): How about agriculture?

Mr. Carrick: The government has carried out the proceedings in connection with the pipe line bill, including closure, in a way that commends itself to every fair-minded person in this country.

Mr. Churchill: Nonsense.

Mr. Carrick: The attacks that have been made upon the officials of this house, the Minister of Trade and Commerce, the government leader in the other place and the members of the other place are something that everybody in the country dislikes. I submit to you, sir, that it would be a catastrophe for the opposition if their request were granted at this time, but their request should not be granted for the reasons I have respectfully endeavoured to set before you.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the motion we are now debating is one which asks the Prime Minister (Mr. St. Laurent) to give consideration to an early election. I think the hon. member who has just taken his seat perhaps provided the best reason why the motion should be carried. It was his contention that everything the government has done in recent months and, in fact, in recent years, has been perfect and that every person who occupies the government benches is a paragon of virtue and all their officials are beyond reproach. If these are his opinions and if they are shared by the hon. members who support the government, I would think that they would support this motion with great alacrity, go to the people and reap the benefit of all this virtue.

But it seems that they are very reluctant to capitalize upon this great, virtuous government that they support. As a matter of fact, we are in a sort of curious position as far as this motion is concerned. If those members who support the government vote against the motion they are in effect voting lack of confidence in their own party because if they have the confidence in the party they support which they express in the house then they would of course vote for the motion and get their case before the people as quickly as possible, but by voting against the motion they will be expressing lack of confidence in their own party, showing they are afraid to go to the people.

Mr. Byrne: That is pretty muddled thinking.

Mr. Zaplitny: Yesterday the Acting Prime Minister (Mr. Gardiner) endeavoured to give some reasons why he did not think it would be a wise thing to go to the people at this time, and I believe he more or less inadvertently gave the clue to the reluctance of himself, the government and their supporters to go to the people at this time. He said in one part of his speech that in his opinion certain things that had been said by the opposition were not properly understood by the public, and then he said: "Just give them a few weeks and then we will see what the people will say." Apparently he feels there is something that he wants the public to forget because he wants to give them a few

weeks, or better still, a few months, and then go to the public. That indicates that the government is anxious that the people should forget certain things that have taken place. So far as the real issues are concerned, I propose today to give five reasons why I believe it would be proper and appropriate for this house to be dissolved and to go to the country at this time or in the nearest possible future.

The burden of the reply to this motion by the Liberal speakers so far has been the claim of prosperity. Again and again they have repeated that this country is experiencing the greatest prosperity in its history. Mr. Speaker, I think there is something a little bit rude—if I might use that word—about that kind of a boast made in this house. I should like to read to them a bit of scripture. I am sure they will not mind my doing so. I should like to refer them to the fortieth verse of the twenty-fifth chapter of St. Matthew, which reads as follows:

> 40 And the King shall answer and say unto them, Verily I say unto you, Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me.

Why do I quote that passage of scripture? Because when they make these boasts about prosperity, they back up their arguments by pointing to the business world, to the increased dividends being paid by the huge corporations, and to the huge profits that are being reaped by the huge corporations in this country. To them that constitutes prosperity. But to me, Mr. Speaker, and, I am sure, to my colleagues in this party and to a great many people in this country, many of whom at present are in the class who may not be even supporters of this party but who are of a sympathetic nature politically speaking, prosperity does not mean huge profits or huge dividends to the shareholders of our corporations. Prosperity means the well-being and the welfare of every citizen in this country. As long as there is one citizen in this country who through no fault of his own or her own is suffering, we cannot claim that we have achieved prosperity in this country. There are many hundreds of thousands—yes, perhaps millions—in this country who are today not experiencing anything like the prosperity we heard talked about by members on the government side of this house.

Even a quick look at the statistics will indicate that the average income of the families in this country is a long way from being such that they are in the position in which they can buy even the essentials of life such as the food, clothing and shelter which they require. Then of course we have the whole sector of our economy which comes under the general description of agriculture. Members on both sides of the house but particularly members on the Liberal side of it have admitted from time to time that, whereas we have this so-called prosperity, our agricultural section of the country has not shared in that prosperity. As a matter of fact, in the last few years, it has been getting a smaller share of the national income than before. How can members supporting the government say that this country is experiencing prosperity when the most important basic industry in this country upon which our whole economy is based has been experiencing a severe recession in recent years? How can members of the government say that all is well, that there is no need for a reference to the people, and that this government should carry on in its merry way, when they know that that part of our population which is engaged in agriculture is now receiving the smallest share of the national income, in proportion to its numbers, that it has received since 1933 when we were at the depth of the depression? Those are facts and figures they must face.

That is why I say it is a little bit rude and boastful to be talking about this prosperity when there are thousands, hundreds of thousands and perhaps millions of people in this country who are not enjoying what is known as prosperity but who are struggling to make ends meet. There are many thousands who are living at a substandard level or a sub-subsistence level in this country. You have only to contact the welfare societies across this country and the various organizations which are interested in the welfare of the people, and they will point out to you people living in poverty, in hunger, practically in starvation in our midst, while we talk about prosperity and the members supporting the government use that as an argument or a reason why they should not go to the people at this time. I therefore say that my first reason why this motion should carry and why a reference should be made to the public at this time is that this government has failed agriculture. It has failed agriculture in several ways. I will mention two in particular.

First of all, I want to associate myself with the remarks made by the hon. member for Bow River (Mr. Johnston) with regard to freight rates. Certainly the government has not protected the interests of agriculture by allowing freight rates to go hopscotching on their way year after year. Let me say this. The hon. member for Bow River has already drawn attention to the fact that one of the companies—that is the Canadian Pacific Railway Company—without taking into account profits which they get from their mining interests, hotels and other interests

but out of their transportation alone, accumulated a profit of $37½ million.

It may be argued that the Canadian National Railways from time to time require money because they have a deficit. I want to make it perfectly clear that there is a great difference between giving assistance to the Canadian National Railways and giving assistance to the Canadian Pacific Railway. I do not think a flat increase across the board in freight rates is the right way in which to come to the assistance of the Canadian National Railways. Certainly the Canadian Pacific Railway does not require it. The Canadian National Railways is partly if not totally owned by the Canadian people. We have an interest in it. We have a stake in it. We rescued several bankrupt private companies and formed them into a national railway system. That railway system is there to serve the people of Canada. It was not intended or designed to be a profit-making organization. Certainly we are happy and glad to see a surplus if they can operate efficiently and revenues are buoyant enough. We are glad to see the Canadian National Railways make a surplus. But that is not the reason why the Canadian National Railways was established in this country. It was established to provide service.

You have only to look at the map of Canada, particularly one of western Canada, to see the reason why the Canadian National Railways has a financial struggle as compared with the Canadian Pacific Railway. Here is a railway that had to run branch lines or spur lines into the most uneconomic parts of the prairie west, when the west was opening up, in order to provide a service—often at a loss—so that people would not be left isolated in communities without service. They were put there to provide service whereas the C.P.R. would not touch it with a ten-rod pole. For that reason the C.N.R. have had to suffer deficits. Any time that the Canadian National Railway system can show that they require a grant of money from this parliament or some form of assistance in order to provide a greater service for the Canadian people, I for one would be glad to vote such assistance. To lump them together with the Canadian Pacific Railway, which is nothing but a purely commercial profit-making organization, and to say that because we have to give some assistance to the Canadian National Railways, we will raise the freight rates across the board and let this huge Canadian Pacific Railway system benefit also is going about the matter in the wrong way and doing it to the detriment of agriculture.

The government has also failed the farmer in a very important principle with regard to agriculture. In the last three or four years—and as a matter of fact, more than that, but more recently it has been given greater emphasis among farm organizations—my colleagues and I in this house and others have been fighting for the principle of parity prices for agriculture. I have heard many members—and many candidates who have not become members—who were supporting the Liberal party, speaking on the public platforms in western Canada in agricultural communities, pledge themselves to the principle of parity prices for agricultural products. Now, some of those gentlemen sit in this house now but every time that issue has come up in the form of a motion they have solidly voted against it.

The farm organizations across this country are getting a little tired of being told one story by the Liberal members out in the country and then told a different story in the House of Commons. This is a principle which I believe should be adopted by this parliament. If the members who support the government are in doubt about it, then what better way of finding out what the public reaction is could there be than going back to the people? This is a very important time for agriculture to establish the principle of parity. We are at the crossroads now. If we have even a slight recession in our general economy, and it seems to be on its way,—it is already affecting the housing situation—we know that agriculture will be the first to suffer a decrease in its income because that has been the trend throughout the years. It was what happened in 1929 and again in 1952, 1953, 1955 and so on. This is the time when this parliament should establish a basis upon which a sound and prosperous agriculture in this country can function. The only principle upon which it can function as a sound and efficient industry is the principle of parity prices.

I give as my second reason why we should now make a reference to the public the fact that this government has failed to promote social security for the citizens of this country. When we see the readiness with which the government can toss about $80 million in this direction and $130 million in that direction, it saddens me to think that looking back over the record I find the last time this parliament increased old age pensions was in 1949. For seven years now, with the cost of living rising, with production increasing in this country, with the gross national product climbing, with Liberals running all over the country crying prosperity, the older people who pioneered and built up this country, who made the greatest contribution to the welfare of this country, have had to sit back for seven years

and beg the government time and again for a little increase in that pittance which they are getting in order that they may get a little share of this so-called prosperity, this great surplus they are crying about. There has not been a one cent increase for old age pensioners in the last seven years.

We come to family allowances, which is something that affects practically every family in the country one way or another, and nothing has been done since 1945. Here is this government which talks about prosperity, here is this government which feels it can shell out $130 million to a private company to establish a gas monopoly in Canada without batting an eye and even bulldozes it through parliament by gagging the members, but when it comes to the children of this country who are the greatest natural resource today and to the older people who have made the greatest contribution to this nation, they say no, we simply cannot afford it. The Minister of Finance (Mr. Harris), according to the newspapers, expects a surplus of about $250 million.

Mr. Harris: No, I did not say that.

Mr. Zaplitny: I am quoting what appeared in the newspapers. I think $242 million was the figure and judging from the attitude of the minister I think it might go to $250 million. However, let us say it is $200 million. What is the government planning to do with that surplus? Are we going to be treated again to what is sometimes referred to as cyclical budgeting, and what I call cynical budgeting, by which they will dispose of some of this surplus in the form of tax reductions and other concessions? Should the government today not go back to the people and say, "This is your money; this $200 million surplus is $200 million more than we required for ordinary expenses. We have overtaxed you to the tune of $200 million; we have overcharged you for the administration of this country. This is your money and what do you want us to do with it?" That is the question that should be asked of the Canadian people. It is the people of the country who should decide what should be done. It should not be left to the treasury board or to the brain trust behind the Liberal party to calculate how many votes they can buy with that $200 million. This money belongs to the people who have overcontributed and they are the only ones who have a democratic right to decide.

Mr. Harris: What do you do when you have a deficit?

Mr. Zaplitny: That is another reason why there should be a reference to the public at this time.

Request for Election and Senate Reform

While I am talking about the question of social security let me add this. Our whole economic structure is such that from the financial point of view it is based on a foundation of sand. It is tricky and uncertain. Today we are talking about prosperity. Looking at the balance sheet of the business world we seem to be sitting on top of the world, but a slight difference in the stock exchange situation on Wall street or St. James street, or any other place where the financial world is really based, and we would find our whole economy begin to tumble like a house of cards. That is one reason why my colleagues and I have introduced this question of a sound basis for social security for all people in this country now, not only because it is the humanitarian and Christian thing to do but also because it is good business. It is the only thing which will save this kind of an economy from these booms and busts we have experienced in the past. So long as there is a steady flow of income into the hands of the people who need it most, who deserve it most and who will spend it most readily, then we have the soundest and the best insurance for the continuance of our economy.

We cannot measure the soundness of our economy by the number of our millionaires because they are few and they are not the main part of our economy. We have to measure the soundness of our economy by the citizens of this country who provide the goods and services, those who contribute so much to the welfare of this country, have a solid basis of social security upon which they can depend, then our economic future is sound. But if we leave it simply to a scramble for profits, leave it to those who are struggling to take advantage of the weaker ones, leave it to that method to carry on our economy, then we will have a repetition of the great depressions we have had before.

I give as my third reason why a reference should be made to the people at this time the fact that the government has failed to deal effectively with monopolies and combines in this country. One has only to read some of the reports of the investigators themselves of monopolies and combines in this country to realize how far behind anything the government has done heretofore is. They are behind the formation of monopolies and combines; they are merely scratching the surface. Once in a while we see in the newspapers that some huge monopoly or combine has been hauled into court and fined for breaking the Combines Investigation Act. We see that they are fined some $40,000 or $50,000 and some people looking at that think it is a rather stiff fine. If they look further behind that they find that the people who have been fined this $40,000 or $50,000, by

virtue of having broken the law and formed a combine, have been exploiting the people unfairly and have been making anywhere from three-quarters of a million dollars to a million dollars a year profit more than they should. All this $40,000 represents is a licence to break the law, and that is all this government has been doing up to now. This country is more under the control of monopolies and combines today than it ever was before in history. The government must take the responsibility for that because it is their primary responsibility to use the Combines Investigation Act.

I give as my fourth reason the fact that the Liberal majority has failed to protect the democratic procedures in this house—I say the Liberal majority instead of the government, because I think that all that needs to be said has been said with regard to the actions of the government in the recent debate in regard to the pipe line. But I want to remind the private members who support the government—because it is by their support and by virtue of their majority that the government exists—that they seem not to have realized the responsibility which rests upon their shoulders for what has happened. They have only to look at the newspapers, to look at the editorial comments in the last three or four weeks. Let them go to the newspaper files in the reading room; let them leaf through the pages of the newspapers and read some of the editorials and then stop and ask themselves who is responsible for the disregard of parliamentary procedure in this house. Primarily, of course, the government is behind it and the main responsibility rests upon those members supporting the government who, meekly and with a subservience that is hard to understand, allowed the government to use them as an instrument for bulldozing their bill through the house.

There is only one final judge in this matter. We could argue about it here for the next six months or the next year; we could say that the government was responsible for the disregard of parliamentary procedure and the breaking of rules in this house, and members of the government could claim that the opposition was responsible. I think there is only one judge in the long run, and that is the Canadian people. Go back to the people. After all, this parliament belongs to the people of Canada. Ask them the question, do they believe the government was justified in using the tactics they used, in using the high office of the Speaker of this house, in order to put through a measure which under ordinary rules of procedure they would have failed to put through. Let the people give them the verdict. It is time that the people of Canada had an opportunity to pass upon what has happened here.

Then, as the fifth reason, I would give the one that was the chief reason, as I understood it, proposed by the Leader of the Opposition. He spoke about Senate reform. While he covered the subject rather comprehensively from the point of view of what is wrong with the other place, so far as I could see there was no specific proposal made as to what could be done about it. I think the people of Canada are getting a little tired of hearing about Senate reform. I can recall that one of the first things I heard in a political meeting in my life was about Senate reform, and that is quite a few years ago. It is more than 25 years ago. In 1919 the leader of the Liberal party at that time asserted, as part of his platform, Senate reform. We have been hearing about it and debating it in this house ever since, and nothing has been done about it. I think the people of Canada now have the right to state whether they want some finality on this question. The people of Canada feel that if this other place needs to be reformed certainly plenty of arguments have been brought forward to point that out. It is time that this house, if it has a responsibility in the matter, took some action instead of just talking about it for the next 25 years.

I am going to propose something which I think might be the solution. I believe that in conjunction with the federal election there should be a plebiscite, and the people themselves could have an opportunity to express their opinions directly on this question of Senate reform. I would prefer it that way, rather than making it a political issue, where one party would take a particular stand, opposed by another party, because I believe that this parliament, any part of this parliament whether it is this house or the other house, is so important to our whole democratic structure and to our constitution that any reform of our parliament should not be a political issue. I think it should be an issue placed squarely before the Canadian people themselves. Let them express their preference. I think a plebiscite would probably be the best way in which to do it. I would propose that a ballot be prepared at the time of the next general election and given to the public on which there could be four questions. If any one can suggest better questions or perhaps arrange them in a better way he is welcome to do it. I would start out by asking the question:

Do you prefer that:

(1) The Canadian Senate remain as presently constituted?

(2) The Canadian Senate be an elected assembly?

(3) The Canadian Senate be appointed by the provinces?

(4) The Canadian Senate be abolished?

I think that pretty well covers all of the proposals that I have heard in this house and outside as to what could be done to reform the other place. Obviously, if the majority of the people of Canada prefer to leave the Canadian Senate as it is constituted at the present time, then this house will have to honour it and we will know that nothing more needs to be done. If they choose one of the other three alternatives, then our duty will be clear, and it will take it out of the area of political discussion. It will not be a party issue. Members who are elected at the next election will feel that they have a mandate from the people of Canada, who are the sovereign body of this country, to take certain steps to make certain reforms in order that the other place will perform its function, if it is to exist. If the people of Canada feel that it no longer serves a useful purpose, then it will cease to exist and the question will be settled once and for all.

I have given these five reasons and I summarize them by saying this. I would suggest to the members supporting the government that they think very carefully before opposing this motion, because anyone who takes the stand in this house that this parliament should not be dissolved and an appeal made to the public of Canada for a new parliament is, in my opinion, taking the stand that the people of Canada should not be given the opportunity at this time to pass judgment on all those issues I have mentioned, plus the very unusual things that have happened within the last month.

No one will say, neither the government nor anyone in the opposition, that what has happened here within the last four or five weeks has been anything like normal in a Canadian parliament or in any democratic parliament. It has been something very unusual, and something which has disturbed the public mind to a great extent. I am not going to argue that all the people of Canada agree with what the opposition did. Neither will the Liberals, I think, seriously argue that all the people of Canada agree with what they did. There will be differences of opinion, but the fact is that the people of Canada today are perhaps more aware of the Canadian parliament than they ever were before, and it is a good thing. It is a good thing that the people of Canada are beginning to think in terms of this parliament, because it is their own instrument of democracy. What finer time could there be to appeal to the public than when interest in this parliament as an institution is at its peak, at a peak which it might not reach again for many years? This, I think, would be an excellent time to appeal to the public, to place the issues squarely before them and ask for their verdict, and then this parliament would come back refreshed, renewed, feeling that it had a mandate to carry out the wishes of the Canadian public.

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, the no-confidence motion now before the house and which was introduced by the Leader of the Opposition (Mr. Drew) could hardly have been brought forward at a better time. Public opinion is growing more and more alarmed at the unfortunate turn of events following upon recent happenings in this Canadian parliament.

Public opinion, forever alert, and at this time more wide-awake than ever, has been deeply moved—and still is—by the disastrous impact upon the future of our parliamentary system of the actions of a government whose sole object now appears clear. By any and every means, democratic or not, it intends to retain that power which it now feels slipping from its grasp. To this end it has resorted to sabotage, flagrant violation of our rules of procedure, abuse of the well disciplined numerical majority which it enjoys, and to any number of other actions which it would take too long to spell out at this time.

In this house, the official opposition represents a very important section of the Canadian people and it is its duty to exercise the right conferred upon it by popular consultation, conscientiously, strongly and firmly.

That right we are exercising today, convinced as we are that we speak for the majority of the Canadian people, who can no longer stand to see the party in power ill-use its prerogatives in order to prevent those sitting on this side of the house from fulfilling the mandate which they undertook to fulfil when they took their oath of office.

The Canadian people no longer have confidence in the democratically constituted authority and insist upon withdrawing, as soon as possible, the confidence which it had so generously bestowed.

Yesterday, Mr. Speaker, you ruled that we could not recall the events which occurred in the dark days of the passing, without proper discussion, of the pipeline bill. May I say, however, that the unusual, objectionable and

dictatorial methods which were used on that occasion profoundly shocked all those who have any respect for our parliamentary institutions, in the defence of which so many Canadians have fallen, at the hands of those who sought to destroy them.

That sole reason is one which, in my opinion, justifies the public outcry which is being heard in all parts of our great country, for a general election which, I have no doubt, would condemn the undemocratic attitudes of this government.

By going to the country, we would also give the Canadian people an opportunity to express themselves on other very important issues to which the government failed to bring the promised solution.

The Leader of the Opposition has spoken about the reform of the Senate, which, in our view, has become a party to all the actions of the subservient majority the government commands in the House of Commons.

Mr. Boisvert: On a point of order, Mr. Speaker, the hon. member for Quebec West (Mr. Dufresne) is violating the rules of this house. He is reading from a written speech. I have been watching him closely. He was very carefully following a written text and I saw how he manoeuvered a second page into view. Therefore I submit that the member for Quebec West should be called to order. He should do as we do on this side of the house and make his speech without reading it.

Mr. Dufresne: Mr. Speaker, I heard the point of order of the hon. member for Nicolet-Yamaska (Mr. Boisvert). He has attempted to imply that I have been reading my speech word by word. I would point to him, however, that I have extensive notes which I mean to use, and I do not believe this is against the rules of this house.

I understand, Mr. Speaker, that my present statements are ill calculated to please the hon. member, but he will have to submit to them just the same.

As I was saying, the opposition has a part to play. I think I shall keep doing my duty that way, and to fulfil the task entrusted to me. More than ever it is time to undertake Senate reform, unless we want respect for the honourable upper house to become a thing of the past.

Far be it from me to demand the abolition of the Senate. This parliamentary institution, wanted and created by the fathers of confederation in 1867, i.e., more than 89 years ago, has never undergone any change that would adapt it to needs and requirements of our time. In its present form, it has lost the real purpose for which it was created.

At the time the Senate was established, it was meant to undertake a more meticulous and dispassionate study of any legislation passed by the House of Commons. It was, moreover, supposed to protect minority rights. As a matter of fact, as the Leader of the Opposition (Mr. Drew), whose words I am now quoting as they are printed on page 5331 of yesterday's English edition of *Hansard*, so rightly said:

> Its members were to be selected from those who in one way or another had brought dignity or distinction to the public life of the country. They were to be chosen by the representatives of the sovereign for their acknowledged achievements or for their moral and intellectual excellence. They were to be placed in this position which was to keep them above the ordinary influences of party strife.

Let me emphasize that last sentence:

> They were to be placed in this position which was to keep them above the ordinary influences of party strife—

—in order to show that today appointments to the Senate are made as a reward to those who have dedicated themselves to the promotion and triumph of political ideas for which they fought most of their life.

Mr. Speaker, may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Dufresne: Mr. Speaker, when the house took recess, I was recalling some statements made yesterday by the leader of the opposition showing the necessity for Senate reform and the important role which devolves upon those who are called to the upper house.

To continue my remarks, Mr. Speaker, I will say that the system has become dangerous, because today the Senate is considered as a single-party institution which reflects the feelings and ideas of those who are responsible for the appointment of its members. That abnormal situation, which jeopardizes freedom of speech, requires a long overdue reform, but the government, in its indifference, is opposed to the solution of that serious problem. The appointment of an independent committee to examine that

reform and bring about the required changes is therefore most urgently needed.

I have already stated in the house and elsewhere that the provinces should have the privilege of appointing a great proportion of the members of the Senate, so that they may truly play the part assigned to them, that is to represent public opinion as expressed by those who elect the governments of the various provinces. I therefore urge the setting up of a committee and the appointment of representatives of all the Canadian provinces. We would then be sure that such a committee would be free from partisanship and could submit to the government such changes as would be in the best interest of the Canadian people.

It is becoming more and more imperative that the Senate be composed of members of unquestioned independence and impartiality. Their role would then be that envisioned by the fathers of confederation. They would protect minorities and be devoted to the Canadian people rather than to a political party.

A few days ago, Mr. Speaker, in three Canadian provinces, situated in various parts of our country, the people clearly and definitely rejected the policy of the Liberal party represented in this house by the government in power. It might be argued that provincial elections have nothing to do with the federal government and that Quebec, New Brunswick and Saskatchewan were called upon to elect a government to administer these provinces for the next four years. One could very well use that argument if the federal Liberal party had stayed away from these purely provincial elections.

Mr. Arsenault: Will the hon. member allow me a question?

Mr. Dufresne: Certainly.

Mr. Arsenault: Has the hon. member for Quebec West always stayed away from provincial elections?

Mr. Dufresne: Mr. Speaker, I am very glad to answer that question from my hon. friend from Bonaventure (Mr. Arsenault) as, in fact, I took part in all the provincial electoral campaigns in my province for 25 years.

An hon. Member: In Quebec West?

Mr. Dufresne: In Quebec West and I can tell my hon. friend from Bonaventure that I took no part, either directly or indirectly, in any provincial campaign since I have been a member of this house, because I feel that my first duty is to the House of Commons and not to provincial electoral campaigns.

Mr. Arsenault: Have the ministers and members of the Union Nationale party never taken part in federal elections?

Mr. Dufresne: As far as I can remember, Mr. Speaker, in a few isolated cases, some ministers—I know one of them—and some members have, in their respective constituencies, campaigned side by side with the opposition candidate, especially when the rights of the province of Quebec were at stake; they felt it their duty to ask the population of their respective constituencies to vote for those who would protect the rights of the province of Quebec so that the interests of that province may be upheld.

Mr. Arsenault: Does my hon. friend from Quebec West forget that the electors of Quebec West have returned a Liberal member, Mr. Jean-Paul Galipeault, general batonnier of the Quebec bar?

Mr. Dufresne: Mr. Speaker, that question is quite amusing. I thought that my hon. friend from Bonaventure (Mr. Arsenault) was perfectly acquainted with the Quebec city constituencies, but a little error has undoubtedly crept in the question he has put to me.

The constituency of Quebec West, which I have the honour of representing in this house, comprises, first of all, the provincial constituency of Saint Sauveur, where we have about 140 out of 150 polls. In this constituency of Saint Sauveur, which I represent entirely and which is known federally as the constituency of Quebec West, the Liberal candidate has lost his deposit, as my hon. friend would possibly be interested in learning.

Mr. Arsenault: Not in Quebec West.

Mr. Dufresne: If my hon. friend refers to Quebec West constituency, in which I count about 10 polls out of a total of 150, I do not think he can boast so much about that Liberal victory, for the new member in the Quebec provincial legislature, Mr. Jean-Paul Galipeault, to whom my hon. friend referred, obtained a majority of only 158 votes in the whole of Quebec West constituency.

Mr. Arsenault: Just the same he was elected.

Mr. Dufresne: Such was not the case however and members of the federal Liberal party, ministers and back benchers, co-

operated closely with provincial organizations in order to dominate these provinces and to force upon them the dictates of Ottawa, in the interests of the Liberal party.

In the face of this centralizing assault for the benefit of a political party, the provinces concerned arose and convincingly indicated that they did not intend to accept orders from those who proclaim themselves to be almighty because they have been presiding over the destinies of Canada for the past 21 years.

The opposition is not alone is calling for a vote of non-confidence in this government, for such a vote has been registered in no uncertain terms in three Canadian provinces, the most important and the most populous being unquestionably the province of Quebec, part of whose population I have the honour to represent here.

What is the special meaning of the vote recorded in the province of Quebec on Wednesday, June 20 last?

It expressed the indignation of a whole people in the face of federal centralizing tactics. It showed that the people of Quebec want to look after their own affairs without having to follow the lines laid down by the federal Liberal party. It shows that they are bent on regaining the rights which are theirs and which were unjustly taken away from them by the central government, through the unpardonable complicity of those who used to get their orders from Ottawa.

Finally, it represents a repudiation of the laissez faire policy of the federal government in the face of the ever increasing activities of communists, who continually extend their tentacles and resort to all possible means to spread their nefarious ideology among the Canadian people.

The Canadian people have no longer confidence in this government, which permits the royal mail to be used for subversive and pernicious propaganda by those who want to enslave us and destroy the religious and democratic institutions to which we are so deeply attached.

(Text):

Mr. Boisvert: On a point of order, the hon. member for Quebec West is reading his speech, which was previously prepared.

Mr. Argue: A Liberal complaint.

Mr. Boisvert: He should not violate that rule of procedure. I am referring, Your Honour, to citation 314 in Beauchesne's second edition, page 103.

Mr. Dufresne: Mr. Speaker, that is the second joke of the same kind that the hon. member for Nicolet-Yamaska (Mr. Boisvert) has tried since I started to speak this afternoon. I would remind him and I should like the chair to know, as I said this afternoon, that I have many notes. I have certain expressions in French that I want to use and I do not want to forget them. That is why I have written them down, and I think this is very important, Mr. Speaker. After all, we are in the chamber of the nation, and I do not think I should use any words that come to my mind without thinking of them first.

Mr. Dickey: Definitely not.

Mr. Sinclair: Tell that to your colleagues.

(Translation):

Mr. Dufresne: Mr. Speaker, as I was saying, the people have lost confidence in the government, which dares not do anything to check the progress of communism, and even allows the spread of that propaganda over the Canadian radio and television networks, as well as through its national film board.

Not only does the Liberal government keep in its employ civil servants of dubious reputation in this respect, but it indulges in shameful relations with certain people whose allegiance to the Kremlin was at one time recognized.

Any alliance whatsoever is commendable to the government, so long as the interests of the party are at stake. Let us save the Liberal party from ruin, disaster, defeat and annihilation, even at the sacrifice of the best interests of this our country.

In the past few weeks, especially in the province of Quebec, we have been through a critical period on which we ought to meditate, lest we forget.

We have seen a Liberal party, which once was great, happy to associate with people who have been exposed more than once for their past activities and who have even founded on October 10, 1936, in Quebec city, a communist politburo—

(Text):

Mr. Arsenault: On a question of privilege, Mr. Speaker, if I understand well what has just been said, the hon. member for Quebec West (Mr. Dufresne) is trying to give the impression to the house that there are communist adherents or sympathizers among the Liberal members of the house. I would wish him to correct this impression.

Mr. Dufresne: I hope that the hon. member for Bonaventure (Mr. Arsenault) did not feel that he was being attacked. I have never mentioned anything of the kind. I have never thought for one moment that any hon. member sitting on the other side of the house could be a communist or a sympathizer. I never thought

of saying that those on the other side of the house who took part in the last provincial election in the province of Quebec could also be communists or sympathetic to communist ideas. That is not my intention. I felt that none of them were and I hope that none of them ever will be.

(Translation):

We have seen the Liberal party which, as I said, was once a great party, gladly associate with people who more than once were denounced for their communist activities and who even established, I repeat, on October 10, 1936, in Quebec, a communist politburo. I have myself warned the government and the Prime Minister of what was going on; I called the attention of the house to a statement, among many others, from a party by the name of Jean-Louis Gagnon whose contempt for our democratic and parliamentary institutions was once well known.

Mr. Arsenault: On a point of order, Mr. Speaker. The hon. member is now speaking under parliamentary immunity. Would he be able, outside this house, to prove the serious charges he is making against the well-known journalist he just mentioned?

Mr. Habel: No fear of his doing so outside this house!

Mr. Dufresne: Mr. Speaker, I have, on many an occasion, made charges in this house which, as a matter of fact, were never denied. Just now, I raise a serious accusation which I can prove at any time. And the matter is a timely one, for I have in my possession some authentic records written by the said Jean-Louis Gagnon when he had, on October 10, 1936, founded in Quebec the communist politbureau I just mentioned. I have here some photostats of papers signed by the man himself. My hon. friend must surely know that, at this moment, libel suits brought by the same Jean-Louis Gagnon against certain people are now before the superior court of Montreal.

Mr. Boisvert: Why, then, are you talking about them if they are before the courts?

Mr. Dufresne: I am talking about it merely because I wish one thing, and it is that the said Jean-Louis Gagnon, after the bitter defeat he suffered in Quebec, will be courageous enough not to drop his proceedings; there the truth will come out and the charge I am presently making in this house will prove to be true.

Mr. Arsenault: Did that happen about the time Mr. Camillien Houde was in a concentration camp?

Mr. Dufresne: No, I spoke of 1936. I thought the hon. member for Bonaventure was more conversant with Canadian history.

Mr. Gagnon: He knows Acadian history better.

Mr. Dufresne: Mr. Speaker, when I raised the matter in the house, the Prime Minister (Mr. St. Laurent) only replied that Mr. Jean-Louis Gagnon was well known to the Canadian people and that he did not need the help of the Prime Minister to defend himself. Neither the Prime Minister nor any member of his party have ever denounced the fiery remarks made by the chief publicist of the Liberal party and editor of the official publication of the Liberal party in the province of Quebec, the newspaper *La Réforme*, which has never reformed anything, as you know.

On the contrary, in the last electoral campaign, the Liberal leader in the province of Quebec tried to defend him, and all the ministers and federal members did not fear to associate themselves closely with a man who once stated—and I have here the remarks made by Jean-Louis Gagnon, editor in chief of the Liberal newspaper *La Réforme* in the province of Quebec and lately chief publicist of the Liberal party of the province of Quebec:

"Bourgeois" are like pigs, and I am beginning to understand Lenin.

Lenin has never been the leader of a democratic party. Mr. Gagnon adds:

Gambetta is going right to my head. It will work out all right, and we will kill all the priests.

Mr. Speaker, I have here official documents which cannot be denied and which confirm what I say.

A Canadian political party which acts that way no longer deserves the confidence of the people, and it should have the courage of having its policies supported or condemned by requesting, as soon as possible, a new mandate.

If, as we have heard many times from the other side of the house, the majority must have its way in a democracy, it seems to me that a substantial part of the electorate has given an unequivocal verdict on June 18 and 20 last, a verdict which, in my opinion, should be heeded.

In order to avoid abuses and unworthy alliances, I once more urge the outlawing of communism in Canada. Let us put aside once and for all the interests of a political

party. Let us be sincere with the Canadian people and let us put an end to the dangerous progress of the enemies of democracy.

In 1953, Mr. Speaker, a majority of Canadians put their confidence in the man who is now called the Prime Minister of Canada and entrusted him with the administration of this country. There is no question about asking him to act as a dictator since he surrounds himself with collaborators. He must however be the real leader of the government and not the servant of his cabinet ministers, especially the Minister of Trade and Commerce (Mr. Howe).

At this stage, even those who sit in this house are asking themselves who is the leader of the government. How then can we wonder if the people do not know who he is?

For these few reasons and many others, we urge the government to have enough courage to face the people as soon as possible. The people are looking forward to this opportunity to break the shackles tying them to a party which has shamefully failed to discharge its responsibilities and no longer deserves their confidence.

The Canadian electors want to rid themselves of those who, like chameleons, change their colour according to the conditions and the needs of their political party.

The people want real statesmen, conscious of their responsibilities and capable of sacrificing the interest of their party to save the threatened Canadian nation.

Mr. Speaker, I shall vote with enthusiasm in favour of the non-confidence motion introduced yesterday in this house by the hon. Leader of the Opposition.

(*Text*):

Mr. Charles Henry (Rosedale): Mr. Speaker, we are in the 22nd parliament of Canada which normally should run for a five-year period. At the three-year point we find ourselves confronted with a motion of non-confidence in the government moved by the opposition and it is based on moral reasons rather than on legal reasons. This is an unusual procedure, to say the least; and we must examine into the circumstances surrounding the debate on the establishment of Canada's first natural gas pipe line in order to consider what underlies the situation. However, I think it is only necessary to say that in that debate the government enforced the rule of law to the distaste of the opposition, based as it is on Magna Carta and the British North America Act. In particular we enforced in this chamber that rule which is based on the common ordinary phrase "majority rule".

[Mr. Dufresne.]

To come down to the procedure in this house, the rule which was enforced was that the house is master of its own procedure in times of emergency as existed during that debate. If the government is immoral, Mr. Speaker, we should like to know the particulars. However, I think it follows, if the government is immoral because of what it has done in enforcing the rule of law, that we are in company with Premier Frost of Ontario whose support we had here, and in company with Premier Manning of Alberta and Premier Campbell of Manitoba.

Mr. Fleming: They did not support what was done by this government to destroy democracy.

Mr. Henry: The vast majority of Canadians supported us and indeed our mandate remains unrevoked at this time in the matter which was then before the house when the pipe line bill was under discussion.

But going abroad at this time, there are deliberations taking place within the sphere of the North Atlantic Treaty Organization and I say to this house that if the government is immoral so is a very prominent member of the government, one who has certainly been honoured by the North Atlantic Treaty Organization and has been praised and named in the public press of the world, as one of "the three wise men" in NATO. So at this time we find with regret, the opposition reflecting upon one of our most eminent Canadians as he goes abroad to reorganize and reorientate the functions of the North Atlantic Treaty Organization. That is a strange situation. But we look forward to a reorganized NATO for better world trade and for better economic conditions. If NATO can be used for war prevention, it can be used for peaceful pursuits such as better trade and better economic conditions throughout the world. We are proud of the Secretary of State for External Affairs (Mr. Pearson), past president of United Nations as he is, and we wish him well despite the domestic wrangle fomented by the opposition at this time on the home front.

However, I wonder about this matter of morality in public affairs, Mr. Speaker. We have noticed of late how queer it is that Her Majesty's loyal opposition, so firm in their moral position in this debate, boycott the ceremony of royal assent as we obtain assent to the legislation which has been passed by this house. Indeed, can we not say that their morals are a little bit weak on commonwealth relations, and matters affecting the crown so near and dear to us all?

Mr. Fleming: How silly!

Mr. Henry: But I think there is a story behind the story of this motion which is now

before the house and I say it is a similar story which underlies the motion of non-confidence concerning the Speaker of this house. In my view, there is a new outlook as to sportsmanship on the part of the opposition because we can sum up their activities in this way: If you lose a game, attack the referee and the umpire and the officials; then you will feel better. This is indeed a new code of sportsmanship. But we see emanating from the other side of the house likewise a new code of political morals based on national disunity, minority rule and freedom of speech run rampant. Indeed, I see this once famous party which was the party of the fathers of confederation presenting to Canada in these months in this parliament a retrogressive Conservative new deal for Canada. Shades of Sir John A. Macdonald and Sir Robert Borden! If the day comes when we shall be unveiling a statue of Sir Robert Borden on parliament hill, I wonder how members opposite will be able to go and attend that ceremony for that great man, who was indeed a leader in the field of national unity.

I should like to refer to an article which appeared in the Ottawa *Journal* in January, 1956, reporting the proceedings of the Progressive Conservative party in Canada, and reporting an event which took place in the presence of the Leader of the Opposition (Mr. Drew) and other top-ranking dignitaries of the party. On that occasion an address was delivered by Mr. Grattan O'Leary editor of the Ottawa *Journal* and he laid down, as do so many members of the party opposite, a policy for the party in his own way. I wish to quote in part as follows. He said to the party chieftains and the party followers on that occasion:

> Our task is to mobilize the spirit of discontent and channel it into support of the Conservative party and the people know we are the only alternative.

This indeed is a fine sounding policy for the successors to the fathers of confederation. As they sow, so shall they reap; and generally, if they are going to rely on disunity and discontent, that is what they will reap. One need only turn to the province of Quebec in order to see what has happened to the Conservative party there. It is practically extinct, save and except for the remnants which remain by way of alliance with Premier Duplessis, based as they are on supernationalism. We can look to the prairies and British Columbia. In that great part of the country Conservatives are not even an alternative; they are not even a desperate alternative. What are we to say of their position with Premier Frost, that great premier of Ontario who took a forthright stand on Canada's natural gas pipe line? What are we to say of the situation within their own party when they turned their backs on their adviser as to natural gas matters during the recent pipe line debate? I refer to the cleavage of opinion between the Conservative speakers in this house and their adviser the hon. member for Calgary South (Mr. Nickle).

On this side of the house, Mr. Speaker, we of the Liberal party have more things to do for Canada than to think about politics and elections at this time. We wish to see a better division of the tax revenues as between Ottawa and the provinces. This is a matter which will come before this chamber in due course. Perhaps at this session good results will come from the solution of this long-standing problem now that we have worked towards a better division of revenues than ever for the good of Canada. We wish to see brought before this house legislation which will enable unemployment assistance to be shared by the dominion and the provinces to cover those unemployed not covered by unemployment insurance. In addition, we believe that the government will bring before the house, before this session concludes, legislation to cover better unemployment insurance for those now entitled to it under the statute. Finally, Mr. Speaker, there is in the process of negotiation as between this government and the provinces the matter of health insurance proposals. Those proposals are of vital interest to the nation. They stand to be implemented and the optimistic spirit which prevails is at an all-time high. We look forward to stage one in the national health insurance before long. We look forward to nation-wide hospital insurance as a result.

Now, let me deal with the dominion-provincial fiscal arrangements briefly. This rearrangement of tax revenues could mean more revenue and better opportunities to fulfil provincial obligations in so far as the citizens of the provinces are concerned. In particular, I am one who looks forward in Ontario to better old age pensions for our senior citizens following upon these fiscal rearrangements. Every member in this house knows that in Ontario now the old age pension is up to $60 at age 65 by reason of joint co-operation between this government and the province. However, I must say that the top figure, $60, is only made available after the application of a very rigid provincial-municipal means test. I think of that great province of ours, Ontario, the industrial giant that it is and greater it will become, but I think it does not stand up by way of comparison in what it is doing for the old age pensioners when we compare what takes place in some of the western provinces. Therefore, I for one would

ask the government to expedite the dominion-provincial rearrangement of fiscal revenues because I feel the government of Ontario under Premier Frost will take second place to none in lessening the rigours of the means test once more revenues as planned are made available in this manner.

I feel, too, that we can always at the federal level look forward to improving our pension legislation because in my city of Toronto there is much need amongst the pensioners. We must constantly be thinking of their needs and problems. They are our senior citizens. In particular, I wish to say a word about pensions for new Canadians. This involves the problem of obtaining more suitable immigrants overseas. If Canada is to succeed in this mid-twentieth century she must have good immigrants from places where immigrants will be found who are suitable to the political and economic needs of Canada. I mention the United Kingdom and I mention Europe. Those places are sources of immigrants, but they are places where old age security is a paramount problem and where good measures exist for those entitled to old age security. How can we expect the Minister of Citizenship and Immigration (Mr. Pickersgill) to obtain suitable immigrants in great numbers for Canada if when they arrive here they have to wait 20 years before being entitled to old age assistance or security? I think, Mr. Speaker, what the government should consider in due course, perhaps at the next session, would be a provision that after a new Canadian becomes a citizen following a five-year period of residence, then that new Canadian should be on a par with older Canadians in obtaining the old age assistance or old age security.

I wish to speak briefly on unemployment assistance and unemployment insurance. I say that it is always a problem with us because in Canada we are beset with problems that arise out of our geography and our weather so we do have regional and seasonal unemployment. This being so, I look forward to the measures which will be forthcoming concerning the sharing of unemployment assistance between the provinces and the dominion and also better unemployment insurance legislation.

Finally, as to health insurance: what is proposed by the government would absorb something like 50 per cent of the cost of hospitalization provided we can obtain the co-operation of more than half the provinces and provided those provinces represent more than half of the population of the nation. Now, the reason for the optimism as to the success of those proposals I think lies in the fact that a recent public opinion survey indicates more than two-thirds of the people of Canada are in favour of the government's proposals.

At the moment there are considerable health services in this nation of ours handled by public authorities. The indigents in the lower income groups receive a scattered type of health service throughout the country from governments at provincial levels. In 1952 there were limited schemes of health service for indigents in both Ontario and Nova Scotia. One cannot fail to note that according to the 1952 figures there was spent $9.96 per person in Ontario, and $10.84 per person in Nova Scotia.

However, turning to the western provinces, we find that services are much better. In the first place the western provinces had in force in 1952 more comprehensive programs than did Ontario or Nova Scotia. They spent anywhere from $50 to $75 per capita in this field. When I think of the great province of Ontario and the great province of Quebec! Those figures are an indictment against the province of Ontario in particular. Here, in central Canada, we have the great basic manufacturing industries, and yet we have this disparity as to the treatment in health services. This is a basic reason for proceeding with the first stage of a health insurance scheme now, namely nationwide hospitalization.

There are other inequities that we could mention. Hospital plans are to be considered. These plans for hospital services are operative in the middle and upper income groups principally. Private plans cover less than 50 per cent of the population, and this rate of coverage does not proceed at more than a snail's pace. In fact, I think the members of this chamber should be indebted for the research and the publications of Dr. Malcolm Taylor and also for the republication of summaries of his studies in this field of health insurance.

It is estimated that if the private plans were allowed to proceed with their coverage efforts it would take until the year 2000 to cover the whole of the Canadian population for hospital service under the auspices of private plans. Speaking personally, I say this is the mid-twentieth century which belongs to Canada, and it is unthinkable that we in this chamber should have to wait that length of time. Therefore, I see looming, the only way, public enterprise in the field of health insurance and particularly in the field of hospital insurance.

In the recent speech of Dr. Taylor before a national association a good analysis was given of many matters in relation to health insurance, and this was reviewed in the Toronto *Daily Star* editorial columns too. It

was pointed out that the cost of administering the private hospital plans has proved to be greatly in excess of the charges experienced by the western provinces in their publicly controlled hospital plans. These are matters which we may well consider at this time as we watch the progress made by the government in the matter of its proposals to the provinces. We should consider also the British post-war experience in the field of health insurance. We know that the British government has had a lower cost per capita in the field of health than we have had in Canada, and in the United Kingdom they have an over-all health insurance plan in force. I think we should consider this as a safe guide as we in this young nation follow the experience of the British authorities.

It is noteworthy also that last year the medical authorities of the United Kingdom visited the Canadian Medical Association in Canada and gave every assurance to Canadian medical men that health insurance was something of which they approved in the United Kingdom. It was also discussed this year at the Canadian Medical Association convention and now we see in the daily press that the Canadian medical men endorsed in convention assembled the current proposals as outlined by the government. I would just say this too. We seem to be well supplied with doctors in Canada. The national average is one doctor for every 989 people. In Ontario, we have one doctor for 874 people; in British Columbia, one for every 866 people; in Quebec, one for every 1,012 people; and in Saskatchewan, one for every 1,288 people. I believe these to be 1951 figures, but they do indicate that if Saskatchewan can implement a hospital scheme with one doctor for every 1,288 people, surely central Canada can respond to the proposals of the government with safety.

However there is one slight reservation I have, and that has to do with our hospital resources. I find that 1953 figures disclose British Columbia operates with hospitals to the extent of 88.9 per cent of normal; Ontario operates with a figure of 67 per cent of normal; Quebec has a figure of 56.2 per cent; and Saskatchewan 87 per cent of normal.

It may be that the government should reconsider its policy of grants in aid of hospital construction, but before doing so I should like to hear from the minister, on his estimates, let us say, as to the state of hospital construction following these figures of 1953. It might be desirable to increase the grants to the provinces to the end that we might have a higher percentage across the board, and particularly in the provinces of Quebec and Ontario in the field of hospital construction.

As I conclude, may I say this as to the question of the motion of non-confidence brought against the government on moral rather than on legal grounds? Abroad we must consider the morality of federalism which is the dominating keynote of the NATO negotiations in these days of competitive coexistence. Through NATO, for Her Majesty the Queen and the commonwealth, the Secretary of State for External Affairs is seeking to marshal the forces of Americanism, Europeanism and Canadianism. This is an expanded partnership which will bring much good to the western world and, yes, to the world at large. There is the spirit of what Sir John A. Macdonald was pleased to call the grand design of confederation at home, and, in my opinion, abroad there is what is known as the grand design of NATO, and this must be extended in the spirit of federalism to the fields of trade and other economic matters.

Now, finally let me just speak about what I call the morality of federalism at home. The keynote of federalism at home, the keynote of the spirit of the grand design of confederation, is indeed national unity and not disunity. I for one am greatly put out that the great Conservative party of the past bases its activities in this year, 1956, on the mobilization of discontent, as outlined in the beginning of my speech. I say that on this side of the house we stand for matters which promote federalism in confederation and which promote in particular our national development, dominion-provincial reallotment of tax revenues, better old age pensions, better unemployment relief and insurance. Finally, we hope that in that way we shall attain for this nation health insurance. These things the people of Canada elect, and I do not think that we should elect for an election and play politics.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I was pleased indeed to hear the wonderful pre-election talk, that I have just listened to, by the hon. member for Rosedale. I have been worried about what he is going to do if, before that election rolls around, the C.C.F. in this house introduces another resolution asking for the immediate implementation of national health insurance. The curtain might be a good place to hide behind at that time, after the speech that has just been made. However, I do want to refer to one attack the hon. member made on the opposition in this house. Mr. Speaker, I no longer count the Social Credit members in this house as being

in the opposition. They are now merely a poor second-hand rubber stamp for the Liberal or the Yankee party in Canada.

Mr. Blackmore: Pretty cheap.

Mr. Regier: I know the hon. member for Lethbridge is pretty good at interjections.

Mr. Blackmore: Pretty cheap.

Mr. Regier: The hon. member for Rosedale wondered why Her Majesty's loyal opposition had abstained from attending the granting of royal assent when it last occurred. I might reply for myself personally, and I think for the members of this group. As the hon. member for Winnipeg North Centre (Mr. Knowles) made very plain the other day, we feel this government no longer has the moral right to sit in office. We feel they absolutely emasculated all rules of decency, all rules of parliament, and that it was no longer a democracy that marched over to the other place to meet Her Majesty's representative. I felt that it would have been a disgrace to pretend to Her Majesty's representative that this pipe-line bill was the will of the Canadian people. Even such an honoured man as the Minister of Agriculture (Mr. Gardiner) speaking as Acting Prime Minister yesterday evening—

An hon. Member: Ha!

Mr. Regier: —informed this house and the country that the people of Canada were not with the government on this pipe line deal when he pleaded, "Will you give us only three weeks of electioneering and then the people of Canada will change their opinion."

One of the reasons I rise at this time to express my motive for supporting the amendment that has been moved by the Leader of the Opposition is the matter of housing. As early as January 18, about a week after the opening of this house, we had an announcement by one of the leading chartered banks of Canada to the effect that they had arrived at a position where they would have to limit further investments in the field of housing and I asked a question about this on orders of the day. The bank—and I am referring to the Royal Bank of Canada—has supplied leadership among the chartered banks in the matter of financing new homes for Canadians. The Minister of Public Works (Mr. Winters) was not here on the 18th but on the 19th I again rose and in reply to my question the Minister of Public Works, as reported at page 281 of *Hansard* for that date, said:

> I understand that yesterday in my absence the hon. member for Burnaby-Coquitlam asked the following question:
>
> "In view of yesterday's announcement by the banks indicating a decline in money being available for housing, would the government consider again supplying a portion of N.H.A. funds as it did before the first session of this parliament?"
>
> In reply, I should point out that I do not know of any general announcement by the banks regarding a decline in money available for housing. There has been no indication by prospective borrowers that there is a general shortage of mortgage money under the National Housing Act. As the hon. member knows, the act contains authority by which Central Mortgage may make loans directly to borrowers if loans are not being made available by approved lenders. If a shortage of mortgage money did occur it would be a matter of government policy, in light of the circumstances at that time, to determine to what extent the corporation's power to make direct loans should be used. At the present time this authority is being used in the smaller communities.

And then note this; the minister concluded with this statement:

> It is the government's intention to ensure that a high level of house building continues.

Only the other day, on June 21, the government having been severely reminded on several occasions of the growing shortage of mortgage money, I asked the Minister of Finance (Mr. Harris) about a statement of his and my question is reported at page 5238 of *Hansard* of that date:

> . . . I should like to ask the Minister of Finance whether he would care to clarify what he said a few moments ago, that he had become aware of this shortage or apparent shortage only a few weeks ago. On January 19 the Minister of Public Works (Mr. Winters) in replying to a question said that there was no indication by prospective borrowers that there was going to be a shortage. Was it only a few weeks ago that the minister became aware of a shortage?

The Minister of Finance replied:

> I think I can correctly say it was only about two weeks ago that I personally was informed of the difficulties.

At that point the hon. member for Winnipeg North Centre (Mr. Knowles) asked:

> Where has the minister been?

I should like some time to have an answer to that question posed by the hon. member for Winnipeg North Centre: Where has the minister been?

Mr. Pickersgill: Right here doing his work.

Mr. Regier: I think it would be only right if at this time we had a little review of what has gone on over the past few years in the matter of mortgage money for new homes in Canada.

Under the operation of the act prior to 1953 most of the mortgage money for new N.H.A. homes was supplied by mortgage companies and by the insurance companies of Canada with the government lending to these institutions 25 per cent of the money that was needed. The insurance and mortgage companies made a little bit on this 25 per cent in that they were able to obtain a higher rate from the purchaser than they had to

pay the government for this share of the money. However, the time came when the investment houses of Canada felt they had invested a sufficiently large share of their capital assets in housing and henceforth they would have to limit their investments in new housing to the percentage they felt was safe to have invested in housing and that any new money they would have available for this purpose would consist only in the natural growth of the percentage in terms of dollars in line with the growth of the companies and with the repayments of the loans that had already been made.

The government had ample warning of this and looked around for other means of obtaining mortgage money and they decided to call on the chartered banks of Canada. When they did call on the chartered banks of Canada, however, they decided to supply no longer 25 per cent of the needed money and ever since that amendment to the National Housing Act the federal government has not supplied 25 per cent of the capital needs for new housing. The chartered banks of Canada, some of them rather reluctantly, entered the field of housing and on the whole I think perhaps all hon. members will agree that the chartered banks of Canada have done a significant service to the Canadian people. Many suburban areas in Canada which hitherto had been unable to lay their hands on N.H.A. mortgage funds were able to undertake housing programs because of the existence of chartered banks branches in the suburban areas simply because the banks proved themselves more accommodating and a little more willing to move into the suburban areas than the insurance companies had been. However, even the chartered banks, like the insurance companies before them, decided it would be safe for them to invest a certain specified percentage of their assets in housing.

The time has now arrived—and it arrived for some of the banks as early as six months ago—when that percentage allotment has been used up and last new year the banks gave warning to the government that henceforth their investments in new housing would be limited to the repayment on advances they had made in former years and the natural growth in the assets of the banks and to the extent that the percentage in the assets each year would be able to make more money available to them. The government had plenty of warning and yet the Minister of Public Works on January 19 saw fit to deny any knowledge of the impending shortage of mortgage money. As late as June 21, even the Minister of Finance denied that he had had several months of warning.

I feel the Minister of Finance, if indeed he is a minister of finance, had ample warning; he had at least six months' warning as did the Minister of Public Works. However, there were so many beginnings, so many new houses that had started, they felt the Canadian people would not notice this shortage of mortgage money with which they were going to be faced and they decided to wait and see what transpired.

If I read correctly the words of the Minister of Public Works as he spoke them yesterday on the orders of the day, it is his intention to have fewer new houses start in the last six months of this year than was the case in the first six months of this year.

The Minister of Public Works was very careful, when answering the hon. member for Broadview yesterday, to tell him that the number of housing starts had grown for the first five or six months of this year, but he very carefully avoided any reference to what has taken place within the last month throughout Canada. I am sure the Minister of Finance and the Minister of Public Works have enough communications in their offices, both letters and telegrams, to indicate to them in no uncertain terms that the major source of mortgage money for new homes in Canada has to all intents and purposes come to an end and that a new way out has to be found by the government.

One of the recommendations I have made from time to time is that the government re-enter the field, at least to the extent of supplying 25 per cent of this money, as they did before the chartered banks were brought into the picture. I cannot blame the insurance companies of Canada, nor can I blame the chartered banks of Canada. After all, for many years during the hungry thirties we did not build any new homes in Canada, and yet the population grew. During the war housebuilding came to an end, so that at the end of the war there were from half a million to a million homes badly needed. We have never yet caught up.

The Minister of Public Works pointed out that last year we built some 50,000 more homes than new family units were formed. At that rate, 50,000 a year more new homes than new family units being formed, it would take us ten years before we came anywhere near to having an adequate supply of houses for the people of Canada.

Another reason why I feel that I at least have lost confidence in one minister of this government and that an election should be called—and I am again coming back to the same minister—is the policy he pursues.

Mr. Pickersgill: Oh!

Mr. Regier: I notice the Minister of Citizenship and Immigration laughing when I say

an election should be called. I would just love to see him contest any seat whatsoever in British Columbia.

Mr. Pickersgill: Would the hon. gentleman accept my challenge and come and run against me?

Mr. Argue: How brave can you get?

Mr. Regier: I am not prepared to be a candidate in a riding where I know that some people have for so many years been held in subservience and slaves to the fish companies—

Mr. Pickersgill: That is a nice way to talk about the free Newfoundlanders.

Mr. Regier: —and have grown old without ever having had a nickel in their pockets. They are slaves to the economic system that prevails there and to the Liberal party of Canada. However, I tell the Minister of Citizenship and Immigration that on his policies of racial discrimination and on that one issue alone I will defeat him in any riding in British Columbia.

Mr. Pickersgill: I suggest that when the free Newfoundlanders hear that the C.C.F. calls them slaves they will know how to deal with the C.C.F.

Mr. Regier: I am afraid that the Minister of Citizenship and Immigration will not have any room to be a candidate in my riding because already I hear that the Minister of National Defence has selected that riding. If that should be the case, might I inform him that he may find a bunch of shipwrecked people in the slums of Vancouver centre whose vote he can buy at $5 a piece, which the Liberal party has always bought ever since they robbed Arnold Webster of that seat in 1935, and that in my riding the Minister of National Defence will be unable to win an election on that basis. There will be a thousand volunteer workers who will be worth more than $100,000 of Liberal bribe money any day.

Now I should like to come back to the Minister of Public Works. A year ago, Mr. Speaker, you will remember, we held up the prorogation or the adjournment of this house on the subject of federal aid to universities. That was sufficient cause to hold up the adjournment. That subject was worthy by itself. However, on the day following, as a result of our holding up this house for one more day, the member for Regina City (Mr. Ellis) was able to ask the Minister of Public Works concerning the sale of veterans' houses to the veterans in Regina. When I got home after the adjournment of the house I found that there were also hundreds of people in the lower mainland who were very much interested in this subject. When the minister on that day—I believe it was July 29—replied to the member for Regina City, his reply was to the effect that the government, in selling these homes to veterans, was not planning on making any money. The plan was only to break even, but the government was not planning on making any money from the veterans.

I had noticed that the member for Regina City asked, "Why is it that the veterans of Regina are being asked to pay for these houses almost as much as the houses originally cost? When I came back to the lower mainland, I found that the veterans there in the Renfrew Heights subdivision were being asked to pay, not a little less than these houses cost, not what these houses cost, but much more than these houses cost. The Liberals who were at the mass meeting in Renfrew Heights repeated the minister's answer, "We are not making any money on these veterans' houses." However, I feel that the government may not be planning on making any money on these veterans' homes over the nation as a whole, but that is not interfering with the government's plans to make these veterans in this area and living in those homes make up the losses that the government will have to accept in other of the 92 cities of Canada.

The veterans in Renfrew Heights in Vancouver are being asked to pay thousands of dollars more for these homes than these homes cost, in order to help the government out of the losses it is experiencing on homes in other Canadian cities. That was one statement I made at one time at this mass meeting, and one statement that the government has never yet officially denied. The only answer government spokemen had at the meetings was that the veterans are buying these homes. I can list my home for sale, which is perhaps worth $15,000, and I can sell it for $30,000. As long as I am willing to take a $10 down payment, I can always find a fish who will buy that home and obligate himself and his descendants after him to pay interest for all eternity. The reason why the veterans are buying the homes is that they cannot resist buying them. The down payments are so low and, despite the denials of the Central Mortgage and Housing Corporation officials, there is pressure exerted upon them to purchase these homes. They finally yield and buy these homes, simply because they have not the necessary down payment to go on the market and buy themselves decent homes at market values.

I feel that the Minister of Public Works should reassess the whole situation, and from

the Vancouver people he should take only such money as these homes in Vancouver cost. If the government has made a blunder and perhaps lost a thousand homes in a swamp somewhere in northern Ontario, the veterans in Renfrew Heights should not be asked to foot the bill for them in the cost of their homes.

Then, coming back to the Minister of Public Works (Mr. Winters), I am afraid time will not permit me to deal with everything I should like to concerning that minister.

Mr. Blackmore: You are wasting your time on too much boasting.

Mr. Regier: I am very glad to be able to represent such a progressive community as Burnaby in the House of Commons. We have there a voluntary organization known as the New Vista housing society, of which the hon. member for Vancouver East (Mr. Winch) is a permanent member of the board of directors. This organization collects money throughout the municipality of 80,000 people for the purpose of building low rent housing for senior citizens and other people of equally low income. They obtain from the Social Credit government of the province, reactionary as it is, formerly a Liberal-Conservative coalition government almost as reactionary, a grant of one-third of the capital cost. Through tag days, service organizations and what-have-you the people raise as much money as they can. They receive one-third of the cost from the provincial government. But then does the federal government come along through Central Mortgage and Housing Corporation and make a grant? Oh no. It would be horrible to help our senior citizens and people on low incomes. We could not afford to do that. They will grant them a mortgage which has to be repaid with interest over a period of 30, 40 or I believe in some cases even 50 years.

When one looks at the resources of the various levels of government in Canada, I feel it is high time that the municipal government and the provincial government should be relieved of costs such as these. If they are not relieved, then their contribution should at least be matched by an equal contribution by the federal government. These old age pensioners are very fortunate in comparison to those who must rent on the open market. However, even to them $25 a month is a very large share of their income indeed to have to pay for rent. Why? In order to repay the mortgage held by the federal government.

The hon. member for Burnaby-Richmond (Mr. Goode) gets considerable publicity back home with his announcements each time the federal government helps with $100,000 for unit 6 or 7 or whatever it may be of the New Vista society. In the same publicity he does not inform the people of Burnaby that they themselves have made a cash donation and that the government in Victoria gives a donation but that the magnificent handout from Ottawa has to be repaid with its pound of flesh in interest.

The hon. member for Rosedale (Mr. Henry) mentioned old age pensions. I am very pleased to say that we in western Canada take a little more progressive attitude regardless of the kind of government we have. I should not say "western Canada" because there is a Liberal government in Manitoba which still only pays a niggardly $40 a month to needy, old age pensioners. However, under certain conditions, and the conditions vary from one province to another, old age pensioners in Saskatchewan, Alberta and British Columbia can receive as much as $60 a month. But most of the old age pensioners live in the provinces of Ontario and Quebec and I have no reason to believe that the cost of living in Ottawa, Montreal or Toronto is very much lower than it is in Saskatoon, Edmonton or Victoria. The minister or his officials have indicated to the newspapers that they have a surplus for the last two months of $247 million. If they have such a surplus, I think one of the wisest ways in which they could invest at least a portion of it would be to make a little progress once and for all in the field of old age pensions.

In 1927 the federal government started to make a payment of $20 per month by way of an old age pension. In terms of the goods that old age pensioners have to buy the government, with its payment today of $40 a month, is paying less than it paid in 1927. We have made no progress whatsoever as a nation. We have gone backwards, and it is high time that another J. S. Woodsworth and a ginger group again had the balance of power in the House of Commons and forced this issue so that we might obtain $65 a month for men at age 65 and for women at age 60.

I think I have said almost enough. The Leader of the Opposition (Mr. Drew) has called for the dissolution of the house. I am looking at the seating plan of the House of Commons, and I see that we have a Minister of Labour (Mr. Gregg) who is doing practically nothing to find jobs for Canadians over the age of 35 who are unemployed. These people are left to the tender mercies of the municipal welfare officers back home. Then we have a Minister of Justice (Mr. Garson) who unfortunately is ill at this time. Perhaps I should not say anything about him, but I have noticed that he is more concerned with

maintaining friendly relations with the ten provincial attorneys general than he is to see that all Canadians from coast to coast enjoy at least some basic rights as Canadian citizens. That is a concept he has never yet grasped as Minister of Justice.

I see a Minister of National Revenue (Mr. McCann) who still collects income tax from single citizens of Canada earning the magnificent total of $1,001 per year. We have a Minister of Agriculture (Mr. Gardiner) who may know a lot about wheat although according to some of my colleagues he gets badly mixed up about wheat. However, as the farmers of the rest of Canada know full well, he knows very little about most of the farmers of Canada who do not grow a grain of wheat. We have a Prime Minister (Mr. St. Laurent), or possibly I made a mistake. Maybe we have not got a Prime Minister. I have not noticed him for several years. However, we have an Acting Prime Minister who also acts as Minister of Trade and Commerce (Mr. Howe). He is more interested in maintaining the value of the Canadian dollar by the mass export of our raw natural resources south of the border to maintain employment there than he is in building up trade within the British commonwealth.

Then we have a Minister of Finance (Mr. Harris). Someone once said that he is a small town country lawyer from Ontario. When it comes to matters of international affairs at least, I hope he never succeeds to the leadership of the Liberal party because I am afraid his concept of Canada's role and Canada's potentialities for world peace is very small indeed. We have a Minister of National Defence (Mr. Campney) who I am confident knows no more about his department than I do. We have a Secretary of State for External Affairs (Mr. Pearson) who just loves to take two steps forward and three back every time he makes a speech. Nobody yet knows what position he takes on any problem.

We have a Minister of National Health and Welfare (Mr. Martin) who will be perfectly happy to inaugurate a national health insurance plan in Canada as soon as all Canadians have asked for it. We have a Secretary of State (Mr. Pinard) who I am told represents the province of Quebec, whatever that may mean. We have a Minister of Transport (Mr. Marler) who, in my experience, is only too happy to let the harbours that are established monopolize the field and who is unwilling to undertake any harbour development except that which involves the well established vested interests in the major cities of Canada.

We have the Minister of Citizenship and Immigration (Mr. Pickersgill) whose citizenship I understand is based on a fishing village in Newfoundland. I do not know whether or not he was born there as a Canadian baby. However, the Canadian people are resentful of the fact that thousands of Italians, thousands of Chinese and, for all I know, maybe thousands of Janpanese are being allowed to immigrate into Canada. I am not for one moment going to oppose that immigration. However, to our commonwealth allies from Ceylon, from Pakistan and from India, 150 a year is the limit and no more. There is racial discrimination and the minister knows it. I will give him credit for this. I heard him admit racial discrimination.

Mr. Pickersgill: I never admitted racial discrimination.

Mr. Regier: At least he admitted discrimination on a television program. We have the Minister of Fisheries (Mr. Sinclair) and I will speak kindly of him. He used to represent the seat I have, and he did such a good job of educating my electorate to socialism that the Minister of National Defence (Mr. Campney) will lose if he should decide to be a candidate there the next time. We have the Minister of Veterans Affairs (Mr. Lapointe) who is overburdened. He is supposed to be licking postage stamps and to be running veterans affairs and looking after the war widows of Canada, all at the same time. Somebody mentioned that he was being appointed ambassador to France. I do not know whether he is planning on holding down all three jobs. We have the Minister of Public Works; I think I have said enough about him tonight. We have the Minister of Mines and Technical Surveys (Mr. Prudham) who, I understand, knows almost as much as I do about mines in Canada. As to the Minister of Northern Affairs and National Resources (Mr. Lesage) I wish him well indeed. I hope he can persuade the slow government—and I am not referring to the Socred government alone—of British Columbia finally to release Garibaldi park to the federal government so that we can have a national park for the people of British Columbia.

Mr. Speaker: Order. Under the provisions of standing order 56, paragraph (d), it is my duty to put the amendment to the main motion.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Argue	Bryce
Balcer	Bryson
Barnett	Cameron (Nanaimo)
Bell	Campbell
Blair	Casselman
Brooks	Castleden

Charlton	McCullough (Moose Mountain)
Churchill	McGregor
Coldwell	Mitchell (London)
Dinsdale	Monteith
Drew	Montgomery
Dufresne	Murphy (Lambton West)
Ellis	Nesbitt
Fairclough, Mrs.	Nicholson
Fleming	Pallett
Fulton	Perron
Green	Rea
Hamilton (Notre Dame de Grace)	Regier
Hamilton (York West)	Robinson (Bruce)
Harkness	Rowe
Hees	Small
Herridge	Stanton
Howe (Wellington-Huron)	Starr
Johnson (Kindersley)	Trainor
Jones	Tustin
Knight	Van Horne
Lennard	White (Hastings-Frontenac)
MacLean	White (Middlesex East)
McBain	Zaplitny—58.

NAYS

Messrs:

Anderson	Hellyer
Applewhaite	Henderson
Arsenault	Henry
Ashbourne	Hollingworth
Batten	Houck
Benidickson	Howe (Port Arthur)
Blackmore	Huffman
Blanchette	Hunter
Boisvert	James
Bonnier	Johnston (Bow River)
Bourget	Jutras
Bourque	Kickham
Breton	Kirk (Antigonish-Guysborough)
Brisson	Kirk (Shelburne-Yarmouth-Clare)
Brown (Brantford)	LaCroix
Brown (Essex West)	Laflamme
Bruneau	Lafontaine
Buchanan	Leduc (Jacques Cartier-Lasalle)
Byrne	Lefrançois
Cameron (High Park)	Legare
Campney	MacEachen
Caron	MacKenzie
Carrick	Macnaughton
Carter	McCann
Cauchon	McCubbin
Cavers	McCulloch (Pictou)
Cloutier	McIlraith
Crestohl	McIvor
Denis	McLeod
Deschatelets	McMillan
Deslieres	Mang
Dickey	Masse
Dumas	Menard
Dupuis	Mitchell (Sudbury)
Fairey	Patterson
Forgie	Pickersgill
Fraser (St. John's East)	Pommer
Gagnon	Poulin
Garland	Power (St. John's West)
Gauthier (Portneuf)	Proudfoot
Gingues	Prudham
Girard	Purdy
Gourd (Chapleau)	Quelch
Habel	Ratelle
Hahn	Richard (Ottawa East)
Hanna	Richard (St. Maurice-Lafleche)
Hansell	Roberge
Hardie	Robichaud
Harris	Robinson (Simcoe East)
Harrison	Roy
Healy	St. Laurent (Temiscouata)
	Shipley, Mrs.
	Sinclair
	Stick
	Stuart (Charlotte)
	Thatcher
	Thibault
	Thomas
	Tucker
	Valois
	Weaver
	Weselak
	Wylie
	Yuill—115.

Mr. Martin: I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted against the amendment.

Mr. Speaker: I declare the amendment to the main motion lost. May I be so bold as to remind the Minister of National Health and Welfare that pairs are not announced until after the Clerk has given the results of the vote to the Speaker and the Speaker has announced the results.

Mr. Martin: I am very glad to accept your direction.

POWER—CONFERENCE ON DEVELOPMENT OF COLUMBIA RIVER

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, there is one question I should like to raise before the motion is passed. It has to do with the conference which is to take place next week in Victoria between the premier of the province of British Columbia and the Minister of Northern Affairs and National Resources (Mr. Lesage). We were told that this conference would be concerned with the question of the development of the Columbia river in British Columbia and with other similar problems which have arisen between the federal government and the provincial government. I believe that because the future of the Columbia river is of such great concern to the whole of the coast province and of the nation there should be some consideration given to what is to be done at this conference next week before the minister leaves the house.

There have been earlier discussions in the house, but since then developments have taken place which have altered the situation considerably and which have made it even more important that a decision be reached by the federal government without any further delay as to just what part it is to take in the development of the power potential of that river.

As you know, Mr. Speaker, last year this house passed an act known as the International River Improvements Act. It contained a new principle in federal legislation in that it gave the dominion licensing control over most of the improvements which are placed on rivers flowing from Canada to the United

States. That question had become of great importance because the government of the province of British Columbia proposed last year to enter into an agreement with the Kaiser interests in the United States for the construction of a dam near the lower end of the Arrow lakes in the Kootenay district of British Columbia. It was felt by the dominion government officials that the result of the construction of such a dam would be to prejudice the over-all development of the Columbia river system in Canada. As a result this legislation was introduced in the house and eventually was adopted with some changes which I think were very material.

Your Honour will perhaps remember that the stand taken by the official opposition on the second reading of that bill was that we believed the issue should be settled between the two governments concerned, and we asked that the bill be sent to the standing committee on external affairs for study and in order that the officials of the dominion government might be heard and also those of the provincial government.

The hearings held by that committee were very successful. As a result, quite a large measure of co-operation was reached between the two governments concerning the bill and, in its final form, the bill was modified a great deal from what it had been originally and much of the bad feeling between the two governments was done away with. I at least hoped that as a result it would be possible to have full co-operation in proceeding with plans for the use of the Columbia river. I am still hoping that that co-operation will be possible. It is only because I believe that the river cannot be developed as it should be for the greatest benefit of the people of my province, and incidentally of the Canadian people, unless the two governments can work out some co-operative plan, that I raise the matter now.

It has been recognized throughout that the key to the whole development was a dam and power plant to be erected at Mica Creek, which is up at the head of the Big Bend about 100 miles north of Revelstoke. There General McNaughton, as the leading dominion authority on the question, foresaw the erection of a very large dam, and last year, in the committee hearings, representatives of both governments admitted there was no reason why the construction of this dam could not be proceeded with just as soon as the final plans could be drawn.

A few days ago, in the sittings of the standing committee on external affairs, General McNaughton stated he was now positive that this plan could go ahead. I hold in my hand No. 15 of the proceedings of the committee for June 14 of this year. The general had this to say at page 416 concerning Mica Creek:

> We are well satisfied it represents a firm conclusion by the consulting engineers who have been doing the work for us. The Mica Creek dam, on the basis of 1,100,000 kilowatts installed would cost, including the power plant, $247 million, and it would give a firm power in kilowatts at the site of 625,000. The estimated head at the normal full pool would be 563 feet. If we include the diversion of 5,000 cubic feet per second by way of Canal Flats into the Columbia,—

There he was referring to a possible diversion of the headwaters of the Kootenay river into the Columbia. The general went on:

> —it brings the installed capacity to 1,320,000 kilowatts, and raises the firm power very considerably. The dam, according to lastest proposals, will be a rock fill which is much more stable than the original concrete structure which was proposed, and it has great merit in reducing the total cost from about $417 million down to $247 million for this dam.

That is a very substantial reduction in the estimated cost. In the next paragraph he went on to say:

> So, I think that all concerned, including the various other consultants to whom the matter has been referred, feel that we now have a completely firm proposition for Mica. Within a matter of a very few months the designs given in this book could be translated into contract drawings, and the matter could be launched.

Mr. Speaker, may I move the adjournment of the debate.

Mr. Speaker: I presume the proceedings from which the hon. member is quoting have been reported?

Mr. Green: Yes.

On motion of Mr. Green the debate was adjourned.

THE ROYAL ASSENT

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

> Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

> An act for the relief of Michael Costom.
> An act for the relief of Marie Theresa Gerega St.-Jacques.

An act for the relief of Julius Michael Cantor.
An act for the relief of Gerald Zelman.
An act for the relief of Lucille Viola Arthur Ward.
An act for the relief of May O'Connor MacKenzie.
An act for the relief of Rita Cleevely Scott.
An act for the relief of Leah Banfield Rideout.
An act for the relief of Margaret Isobel Gillespie MacKenzie.
An act for the relief of Edda Roehm Sackmann.
An act for the relief of Joseph Ernest Adrien Joly.
An act for the relief of Jacqueline Bussiere Sirois.
An act for the relief of Doris Elaine Cameron Gladwish.
An act for the relief of Mary Goodman Lobell.
An act for the relief of Jennie Zalezniak Wiseman.
An act for the relief of Phyllis Elizabeth Jardine Williams.
An act for the relief of Martha Hope MacDougall Fortier.
An act for the relief of Hugh Oliver Semper.
An act for the relief of Yvonne Elizabeth Thurgarland Brosseau.
An act for the relief of Hugh Lawrence Byers.
An act for the relief of Jean Benoit Maille.
An act for the relief of Elizabeth Redling Lefebvre.
An act for the relief of Marie Cecile Veronique Goudreau Johnstone, otherwise known as Lucille Goudreau Johnstone.
An act for the relief of Claire Esther Cohen Weiner.
An act for the relief of Vera Norine Tromley Ashford.
An act for the relief of Jacques Demers.
An act for the relief of Virginia Ruth Jones Lord.
An act for the relief of Harold Barnes.
An act for the relief of Geraldine Isabella Johnson Mole.
An act for the relief of Adam Forbes.
An act for the relief of Rose-Anna Rose Crombie.
An act for the relief of Esther Pheobe Brunger Abels.
An act for the relief of Lorna Elizabeth Cadorette Belinsky.
An act for the relief of Benjamin Franklin Luther.
An act for the relief of Gordon Frederick Collins.
An act to amend the Canadian Farm Loan Act.
An act respecting the construction of a line of railway in the province of New Brunswick by Canadian National Railway Company from a point at or near Bartibog in a westerly direction to the Tomogonops river in the vicinity of Little River lakes.
An act to incorporate the Albion Insurance Company of Canada.
An act respecting the Canadian forces.
An act to amend the Emergency Gold Mining Assistance Act.
An act to amend the Veterans' Business and Professional Loans Act.
An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1957.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue with this debate and then take the resolution in the name of the Minister of National Health and Welfare with respect to unemployment assistance costs.

May I raise a point of order at the moment, having to do with the length of the debate upon which we are now embarked. My understanding is that when we amended the rules last year we set out to give to those members who wished to raise grievances a period of two hours less 15 minutes, as I recall it, from the time that the vote was taken on the amendment. In other words, we said that the debate on the amendment would come to an end at quarter past eight and the vote on the main motion would occur at ten o'clock. We had that period during which time we assumed there would be a grievance period. If there has been any interference with that by reason of the royal assent, to the extent of perhaps eight or nine minutes—I am not sure—I would suggest in taking that into account tomorrow that extra time be allowed for the purpose of this debate.

Mr. Speaker: The Clerk informs me, in relation to the point made by the Minister of Finance, that tomorrow for private members' grievances there is still available one hour plus 31 minutes—that is, altogether 91 minutes of debate—on this motion.

Mr. Green: Could we have the other business for tomorrow?

Mr. Harris: I gave it. We go on with this debate, and then take the resolution of the Minister of National Health and Welfare.

Mr. Green: The minister is not announcing any estimates for tomorrow?

Mr. Harris: I shall be glad to call the estimates of the Secretary of State if there is any time left after the resolution.

Mr. Green: In that connection, could the minister tell us what other branches under the Secretary of State will be handled, for example, the library, the archives or the national gallery?

Mr. Harris: The Secretary of State has the printing establishment as well as those estimates which are in the book in his name.

It being twelve minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

Questions

ANSWERS TO QUESTIONS

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

HOGS—FLOOR PRICE COMPLAINTS

Question No. 527—**Mr. Zaplitny:**

1. Has the Department of Agriculture and/or the agricultural prices support board received any complaints since January 1, 1956, from producers to the effect that less than the established floor price for hogs is being paid at stockyards in any of the three prairie provinces?

2. If so, how many such complaints have been received?

3. What action with regard to such complaints was taken by: (a) the agricultural prices support board; (b) the Department of Agriculture?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. No complaints have been received which applied to hogs sold over public stockyards.

2 and 3. See answer to No. 1 above.

INDIANS AND ESKIMOS—T.B. SURVEYS

Question No. 528—**Mr. Weaver:**

What proportion of the Indian and Eskimo population is being reached by the Department of National Health and Welfare in its T.B. surveys?

Answer by: **Hon. Paul Martin (Minister of National Health and Welfare):**

The Indian and northern health services of the Department of National Health and Welfare is constantly trying to increase the numbers covered by their annual field X-ray surveys. During 1955 organized teams working out of the various departmental hospitals X-rayed about 50 per cent of the total Indian population. In addition many thousands of examinations were carried out on individual Indians between surveys.

Case-finding parties in the Arctic were able to X-ray 70 per cent of the total Eskimo population. In the eastern Arctic this figure reached almost 80 per cent.

ARMED SERVICES—STATISTICS ON RANKS

Question No. 530—**Mr. Cameron (Nanaimo):**

How many persons in the regular forces hold the rank of: (a) lieutenant general; (b) major general; (c) brigadier; (d) colonel; (e) air marshal; (f) air vice marshal; (g) air commodore; (h) group captain; (i) vice admiral; (j) rear admiral; (k) commodore; (l) captain?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

(a) 1; (b) 9; (c) 30; (d) 93; (e) 1; (f) 8; (g) 29; (h) 125; (i) 1; (j) 6; (k) 18; (l) 58.

HOUSE OF COMMONS

Wednesday, June 27, 1956

The house met at 2.30 p.m.

DOMINION DAY

REQUEST FOR ADJOURNMENT OF HOUSE ON NATIONAL HOLIDAY

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. Next Monday is the day set aside to honour the founding of our nation. It is a day which will be respected as a holiday in every city, town, village and other part of Canada. This house will be sitting for some time yet. No question of urgency arises which would necessitate sitting on such a day.

There are many hon. members who, as part of their duties as representatives of the people, will feel called upon to attend ceremonies in their own communities. For that reason I think it would be appropriate that we honour that day by adjourning when we adjourn on Friday until Tuesday next. I think this would be in keeping with the respect for the day marking the beginning of the history of a country which we all revere. I cannot imagine that on corresponding days in the United States or in other countries, where they respect the day set aside to mark the beginning of the nation, they would sit under these circumstances and deny to any of their members who have the opportunity to do so the right to participate in such celebrations as may take place.

It may well be that there are those who will not be able to attend the ceremonies in their own communities, but may I say to any of those who will not that there will be ceremonies here in Ottawa which will permit them to indicate their respect for the nation which is honoured on that day.

Mr. Sinclair: Right here in this chamber.

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, this matter, though not with reference to this particular day, has been discussed on several occasions, but it has been the feeling of the house that we can best honour our country on public holidays by attending to the country's business. Many hon. members are here at great distances from their homes. They are here to attend to the country's business. If a few hon. members find it necessary to be absent from the house and in their own constituencies I think if they are able to do that during a provincial election campaign they can perhaps be absent on Monday next.

Mr. Drew: Mr. Speaker, I raised this question as one of honouring Canada as a nation. The contemptible suggestion that this would be a political idea in permitting members to go to their homes is utterly unworthy of the Acting Prime Minister.

Mr. Howe (Port Arthur): Mr. Speaker, on a point of order, may I say that I made no such suggestion. The representation made by the hon. member is a gratuitous insult to me and he might very well withdraw. I mentioned that certain hon. members can be away without upsetting the business of the house. I again say that we can best honour our country by attending to our country's business which we are here to undertake.

Mr. Drew: Mr. Speaker, I have nothing to withdraw. It is not an insult to this house to suggest that we should honour the day on which Canada was founded.

Mr. Speaker: Order. May I submit that what has been submitted as a question of privilege was really a matter affecting the business of the house. The suggestion having been made that an adjournment take place on July 2 next, and a reply having been made by the Acting Prime Minister (Mr. Howe), I think the matter should be considered as closed.

COMMITTEES OF THE HOUSE

CRIMINAL LAW

Mr. D. F. Brown (Essex West): Mr. Speaker, I have the honour to present the second report of the special joint committee on capital and corporal punishment and lotteries. This report constitutes the committee's final report on the question of capital punishment only. The report being presented is in English. The French version will be presented later. No motion will be made for adoption of this report at this time.

RAILWAYS, CANALS AND TELEGRAPH LINES

Eighth report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch (Pictou).

Questions

STARRED QUESTIONS

PURCHASE OF FEDERAL PROPERTY, JOYCEVILLE, ONT.

Question No. 55—**Mr. Knowles:**

1. Has the federal government completed its purchase of certain property or properties at Joyceville, Ontario, from Mr. Benjamin Franklin?
2. If so, how many acres were purchased from Mr. Franklin, and what is the total price paid, or to be paid, for the same?
3. What is the average price per acre of land in this area?
4. Was the land purchased from Mr. Franklin clear of any encumbrances when negotiations for the purchase of the same were commenced? If not, on what date was the land cleared of all encumbrances so that a sale to the government could be registered?
5. Did the government purchase or agree to purchase from Mr. Franklin anything other than the land in question, such as stock or equipment? If so, how much was paid, or is to be paid, for the same?
6. To what purpose is (a) the land; (b) stock or other equipment, purchased from Mr. Franklin, to be put?
7. What are the names of any lawyers who acted or participated in any negotiations leading up to or relating to the sale of this property to the government, (a) on the part of Mr. Franklin; (b) on the part of the government?

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I am glad to answer on behalf of the Minister of Justice (Mr. Garson) starred question No. 55. The first question is:

1. Has the federal government completed its purchase of certain property or properties at Joyceville, Ontario, from Mr. Benjamin Franklin?

The answer is yes. Question No. 2 is:

2. If so, how many acres were purchased from Mr. Franklin, and what is the total price paid, or to be paid, for the same?

The answer is 450 acres more or less. The price paid was $123,000, which was based on valuation of buildings at $83,000 and land at $40,000. Question No. 3 reads:

3. What is the average price per acre of land in this area?

The answer is this. No average price is ascertainable, since prices depend on location, condition of land, state of buildings and similar factors. Question No. 4 is:

4. Was the land purchased from Mr. Franklin clear of any encumbrances when negotiations for the purchase of the same were commenced?

The answer to this first part of the question is no. The second part of the question reads as follows:

If not, on what date was the land cleared of all encumbrances so that a sale to the government could be registered?

The answer is: On June 11, 1956, the crown acquired title to the property free of all encumbrances except three small executions amounting in all to $1,261.32 in respect of which sufficient money was placed in trust to protect the crown. Question No. 5 is:

5. Did the government purchase or agree to purchase from Mr. Franklin anything other than the land in question, such as stock or equipment? If so, how much was paid, or is to be paid, for the same?

The answer to both these questions is no.

Then question No. 6 reads:

To what purpose is (a) the land; (b) stock or other equipment, purchased from Mr. Franklin, to be put?

The answer to both parts of this question is as follows: Both the land and the stock will be used as site and for the construction and operation of a new penitentiary.

Then question No. 7 reads:

What are the names of any lawyers who acted or participated in any negotiations leading up to or relating to the sale of this property to the government, (a) on the part of Mr. Franklin; (b) on the part of the government?

The answer is that the lawyers who acted on behalf of Mr. Franklin were Messrs. Arnoldi, Parry and Campbell of Toronto; and on behalf of the government Messrs. Gibson, Sands and Flanigan of Kingston.

TRANS-CANADA HIGHWAY ACT—FEDERAL-PROVINCIAL AGREEMENTS

Question No. 56—**Mr. McCulloch (Pictou):**

1. Are new federal-provincial agreements required pursuant to the amended Trans-Canada Highway Act which received royal assent on June 7, 1956?
2. If so, with what provincial governments have agreements been concluded to date?

Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works: The answer to the first part of the question is yes; and as to the second part, agreements have been concluded with the provincial governments of Manitoba, New Brunswick, Saskatchewan, Prince Edward Island and Alberta. Nova Scotia has returned a signed agreement but with a revision in schedule "A", the detailed designation of the route of the trans-Canada highway in the province. British Columbia has submitted only a revised schedule "A". Before agreements can be signed with these provinces, further clarification of the schedules "A" is required.

QUESTIONS

R.C.A.F.—AIR CREW RECRUITS, 1955

Question No. 407—**Mr. Hamilton (York West):**

1. What number of air crew were required to be recruited last year (1955) for the Royal Canadian Air Force to maintain the air strength necessary for present policy and commitments?
2. What were the actual enlistments for air crew during 1955?
3. How many applications for enlistment as air crew were received during 1955?

4. How many of these were rejected and for what reasons, under the following headings: (a) physical disability; (b) failure to meet educational requirements; (c) other reasons?

5. How many air crew passed their courses and qualified during the year 1955?

6. How many qualified air crew were discharged from the service during 1955, and for what reasons: (a) physical disability; (b) completion of term of service; (c) other reasons?

Mr. Hellyer, Parliamentary Assistant, for the Minister of National Defence: Mr. Speaker, I should like to deal orally with question No. 407, concerning R.C.A.F. air crew. In the opinion of the air force, to give such detailed information in the same form year after year would enable unfriendly countries to make fairly accurate calculations to their own advantage, and this is not desirable. I did, however, have the information prepared in the form requested by the hon. member and it was offered to him on a confidential basis, but this offer was declined.

QUESTION PASSED AS ORDER FOR RETURN

WAR CLAIM, BENJAMIN GODDARD

Question No. 529—**Mr. Nesbitt:**

1. Did Benjamin Goddard, of 1575 Sandwich street east, Windsor, Ontario, file a claim with the office of the custodian of enemy property, or with the war claims commission for the loss resulting from the death of his wife, her personal effects and other costs?

2. Did the said Goddard discuss this claim or any other claim with the custodian's office?

3. Did anyone on behalf of the government or the custodian's office or any other branch of government service represent to Goddard that the Canadian government would deal with his claim?

4. Did the Secretary of State on or about November 9, 1945, advise the said Goddard that his claim was under active consideration and that he would later be advised as to the result?

5. Did the war claims commission undertake to assist the said Goddard in establishing his admissible claims against the Canadian war claims fund?

6. Did the said Goddard file statutory declarations of his intention to claim pecuniary loss resulting from the death of his wife together with an additional claim for the loss of her personal property?

7. If the facts alleged by the claimant are established, what action will be taken?

MOTION FOR PAPERS

CITIZENSHIP AND IMMIGRATION —DIRECTIVES ISSUED

Motion No. 84—**Mr. Diefenbaker:**

For a copy of any and all directives or instructions issued since the 1st day of January, 1955, by or under the authority of the Department of Citizenship and Immigration, in any way connected with immigration or citizenship.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Before this motion is put, Mr. Speaker, I should like to say that I am quite prepared to make public any documents that in any way could be considered to be described by this motion which have been made public in any other way. There are about 275 such documents. But, of course, there are in addition to that a good many confidential instructions and directives to the staff which it is well understood are privileged and which would not be included in the return.

Motion agreed to.

ROYAL CANADIAN AIR FORCE

REQUEST TO POSTPONE DECISION TO DISBAND MOUNT HOPE STATION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of National Defence. In view of the representations which have been made to him on behalf of 424 squadron of the R.C.A.F. auxiliary, and in view of the outstanding record of that squadron during the time it has been training at the Mount Hope airport, will the minister postpone any decisions until an opportunity has been given to make representations to him and to the department in regard to that squadron, particularly in view of the outstanding safety record and the highly satisfactory surroundings of the Mount Hope airport and the fact that other squadrons come to that airport to do their firing practice, thus demonstrating the suitability of that airport for continued flying training?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, since I dealt with this matter yesterday in answer to the hon. member's question I have received some telegrams dated last evening and this morning in relation to this matter. It is not a question of postponing decision; the decision has been taken. But I certainly would be always open to receive representations from any persons who feel that they would care to make them.

So far as the attributes of this airport are concerned, to which the hon. member referred, these matters were all considered. One of the salient facts in this case, which I think I might now indicate, is that in order to operate and maintain this airport solely for the support of the local auxiliary so far as flying is concerned, the cost to the Royal Canadian Air Force is well over $1 million a year. The personnel of the auxiliary are very fine, competent people and they have done a good job. It is felt, however, that other R.C.A.F. activities could be engaged in by members of the personnel of this squadron which would certainly not cost anything like the sum I have mentioned. I am sure the Leader of the Opposition would agree with me that, all

things considered, where we can save substantial sums of money we should do so.

Mr. Drew: Mr. Speaker, as a supplementary question, will the minister not agree that if this is a good airport it would be better to add another squadron there and make wider use of the airport which, after all, is apparently being operated at the cost of just over the cost of a single modern fighter aircraft?

Mr. Campney: Well, I do not know that we should proceed with a debate on this matter at the moment. All the relevant factors were very seriously considered, and if any persons or groups produce new arguments and new reasons which override what has already been considered I would be always ready to listen to them, but I have not heard any such reasons yet.

Mr. Drew: I have another supplementary question, Mr. Speaker. Will the minister tell the house whether the same practice was followed as was followed when there was a reorganization of the army, and whether there was consultation with the officers of this squadron to obtain their opinions and to hear the evidence before this decision was made?

Mr. Speaker: May I suggest this is entirely irregular. I would submit that when the estimates of the Department of National Defence are before the committee of supply a matter of this kind could be dealt with.

Mr. Drew: Mr. Speaker, I submit it is not irrelevant and I submit—

Some hon. Members: Order.

Mr. Speaker: Order. I did not say it was irrelevant; I said that at this period when questions are being asked it is not regular to debate a matter. This is the point I was stressing.

Mr. Drew: Mr. Speaker, I am not debating; I was asking a question in regard to a decision which affects the immediate use of an airport. If there is to be a decision it has to be made before the estimates can be dealt with.

Some hon. Members: Order.

Mr. Speaker: Do I take it that the Leader of the Opposition does not accede to the remarks I have made?

Mr. Lennard: No.

Mr. Drew: Mr. Speaker, I am not going to raise any questions about the remarks. I do not agree with your estimate of the situation. I think it was a perfectly proper question, but I am going to leave the matter there because it is clear the minister has no intention of doing anything about it.

[Mr. Campney.]

Mr. Speaker: The hon. member for Hamilton South.

Mr. R. E. Reinke (Hamilton South): My question was primarily the same as that raised by the Leader of the Opposition, but I might point out I thought I was on my feet first.

EXTERNAL AFFAIRS

RUSSIA—INQUIRY AS TO REPLY TO LETTER OF PREMIER BULGANIN

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I should like to direct a question to the Prime Minister. In his absence, perhaps the Acting Secretary of State for External Affairs would care to take this as notice. Will the minister indicate whether a reply has been given to Marshal Bulganin's letter of recent date respecting disarmament? If not, why not? If so, what is the text of the reply?

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, I think I can deal with the question now. The letter to which my hon. friend directs the attention of the house was sent to the heads of six governments, including Canada.

The reply of Canada has been considered by the Prime Minister and will be given further consideration by him when he returns from the prime ministers' conference in London. In the meantime some aspects of this question will undoubtedly be discussed at the forthcoming meeting of the disarmament commission which takes place next Wednesday in New York at the United Nations.

[*Later:*]

RUSSIA—REFERENCE TO STATEMENT BY MINISTER OF FISHERIES

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Acting Prime Minister. Was the Minister of Fisheries expressing the view of the government when he said in Kitchener last night, and I quote his words as reported by the Canadian Press: "No one can question the desire for peace of any Russian." Is that the view of the government?

Right Hon. C. D. Howe (Acting Prime Minister): Who was the speaker referred to? I have not seen the dispatch.

Mr. Hees: The Minister of Fisheries, speaking in Kitchener last night.

Mr. Howe (Port Arthur): Perhaps the Minister of Fisheries will answer the question.

Hon. James Sinclair (Minister of Fisheries): I was not speaking in Kitchener last night; I was speaking in Kitchener yesterday noon. I did say that after my experience in Russia no one can question the desire for peace of the ordinary Russian people after having lost seven million soldiers in the war. I hope the hon. member also studied the remarks I made about him during my recent speaking tour.

Mr. Hees: No, Mr. Speaker, the Canadian Press did not report that. They reported the minister as referring not to the desire for peace of the ordinary Russian citizen but as saying "any Russian", and that includes the members of the Russian government, Khrushchev, Bulganin and all the rest.

HOUSE OF COMMONS

SUGGESTED ISSUING OF AIR TRANSPORT PASSES TO MEMBERS

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, might I ask the Acting Prime Minister a question supplementary to what the Leader of the Opposition brought up at the commencement of the sitting. Has the government given any further consideration to the possibility of issuing air transportation passes to members, particularly those who come from the maritimes and British Columbia, so that they can make rush trips home occasionally? It takes all of a week to get to British Columbia and back by rail.

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, the matter has been discussed by the government. Certainly we could not issue passes to every member of the House of Commons to ride on Trans-Canada whenever he may wish. We would obviously be hauling plane loads of free travellers and I think that would be a little conspicuous. However, we will explore the situation to see whether any special provision for air travel can be made. Of course, the most satisfactory provision for everyone would be to expedite the work of the session and let hon. members get back home permanently.

GRAIN

WHEAT—INQUIRY AS TO POSITION WITH RESPECT TO QUOTAS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister say what progress has been made in raising delivery quotas in southwestern Saskatchewan where the Saskatchewan wheat pool has recently pointed out the quotas are still substantially below average? Will producers in this area have an opportunity to deliver a quantity of grain similar to that delivered in other areas?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have made several statements during the prolonged absence of my hon. friend from the House of Commons. As I have explained on several recent occasions delivery quotas are being raised in southwestern Saskatchewan, and in other areas where quotas are relatively low, just as quickly as possible. In raising delivery quotas the wheat board, however, has to take into account the grade and kind of grain for which there is an immediate requirement in forward positions. Every effort will be made to achieve equality of delivery opportunities throughout the west, but the wheat board cannot give an undertaking that all delivery quotas will be at the same level at the end of the crop year.

I cannot emphasize too strongly that the first responsibility of the wheat board must be to move saleable grain into forward positions.

Mr. Argue: Mr. Speaker, I wonder if I might ask a supplementary question. Has any further consideration been given to extending delivery quotas beyond the end of the crop year at points where the quotas are under the 7-bushel quota or the regular quota at that time?

Mr. Howe (Port Arthur): Mr. Speaker, that matter has been fully considered and the decision has been made that delivery quotas will end on July 31.

WHEAT—ALLEGED SHORTAGE OF BOX CARS ON C.P.R. BRANCH LINES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a question arising indirectly out of the question just asked. What has been done since the last report the minister gave to the house, in answer to a question I asked, to assure a reasonable provision of cars for the delivery of wheat on C.P.R. lines? Has the minister received telegrams such as I have received even today complaining against the calamitous shortage on C.P.R. lines of cars, and what is being done to meet that situation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I can hardly believe that the car supply is seriously below

requirements because the grain movement over the C.P.R. line is at record levels.

Mr. Diefenbaker: I meant to say C.P.R. branch lines.

Mr. Howe (Port Arthur): I could not say about the branch lines. The tendency may be to direct cars to the competitive points. That is largely a matter for the agents of the wheat pools and the trade as to the localities where the shipping instructions are directed. However, we are having a record movement. Never in my experience has grain moved forward within this country and into export as rapidly as it has been doing for the past two or three months. All I can say is that I think everyone concerned is doing his best to deal with the situation.

Mr. Diefenbaker: May I ask a supplementary question. Will the minister request the wheat board or the transport controller to do something to meet the situation on these C.P.R. branch lines, because it is serious? People are complaining and they are met with the usual answer that cars are not available on these lines. Will the minister do something?

Mr. Howe (Port Arthur): I shall certainly do my best. I have been doing my best to bring the low quota points up to the standard of the other points. As I stated a week or two ago, alternate delivery points are being made available at high quota points that are accessible for delivery by truck from low quota points. We are doing everything we can to deal with the situation and I suggest that considerable progress is being made.

CHEESE

INQUIRY AS TO POSSIBLE CONTAMINATION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Will he table the reports made to his department with regard to the cheese industry in this country during the past few years? Officials of the department have made alarming statements in public addresses regarding contamination. Will the minister table the reports made to his department by his officials, say for the last six years?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I shall be very glad to look into the matter and see what can be done. In the meantime I wish the hon. member would let me have, either publicly or privately, details of the statements to which he refers.

[Mr. Howe (Port Arthur).]

Mr. Coldwell: I refer to a statement made by Dr. Thatcher at a meeting, I believe in Montreal, and published in yesterday's Montreal *Gazette*.

FISHERIES

NEW BRUNSWICK—REPORTED DESTRUCTION OF FISH BY AIR SPRAYING

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Fisheries, notice of which was sent to his office yesterday. Is the minister aware of the reports that have been made about unwarranted destruction of salmon by the spraying of forests in New Brunswick and more particularly spraying at or near a salmon hatchery where a large number of young salmon were destroyed? If so, what action is being taken to prevent a repetition of such occurrences?

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, the hon. member gave me notice of his question in sufficient time to wire our scientists and to get a report. On Saturday, June 9, commercial planes spraying D.D.T. over the forests between the Northwest and Southwest Miramichi rivers crossed over the hatchery area of Miramichi hatchery. Definite oil slicks appeared on the pond and in the hatchery, and during the following week over 800,000 salmon and trout were destroyed. The fisheries scientists are well aware of the need for spruce budworm spraying and have tried to work out a program with the operators so that the hatchery areas will not be sprayed. The plans given to our scientists this spring showed that this hatchery area was not to be sprayed. This is the third such occurrence and this time we lost one-third of our hatchery stock and we are now examining the possibility of taking legal action against the firm concerned.

[*Later:*]

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I was wondering whether I could ask the Minister of Fisheries a supplementary question with reference to the matter raised by the hon. member for Gloucester (Mr. Robichaud). From his answer I understood that action was being taken against the aeroplane company which was spraying for the budworm. I would assume that to mean legal action. From the press reports that I have seen, it was stated that there was no carelessness on the part of the aeroplanes but what happened was on account of the storms and floods. I should like to ask the minister if carelessness has been found on the part of this company and whether legal action is being taken because, after all, as I understand it, these companies

are the agents of the federal government and it would be a case of the federal government suing themselves.

Mr. Sinclair: Mr. Speaker, all I said was that our officers were studying the possibility of taking action because this is the third time this thing has occurred. It is quite true that in one paper there was a report saying that it was because of rain conditions and flood conditions after spraying that this thing occurred. Unfortunately many of our salmon and trout died before the rainfall. There does not seem to be much question at all that, whether through accident or by negligence, the actual hatchery area was sprayed by D.D.T. and over 800,000 salmon and trout died.

Mr. Brooks: Was there not any representation that the damage was not as great as we had anticipated and that there was such a large quantity of these fish that it would not make very much difference?

Mr. Sinclair: Mr. Speaker, most of the maritime members feel that we should have many more fish in the streams. The loss of one-third of our hatchery stock in one week is a very serious blow to our program of rehabilitation of the salmon and trout fisheries in that province.

Mr. Brooks: I was quoting from the press report.

Mr. Sinclair: Press reports are not always reliable, as the hon. member for Broadview (Mr. Hees) has just pointed out.

NATIONAL DEFENCE

INQUIRY AS TO CONSTRUCTION OF BELLEFLEUR RIFLE RANGE

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Would the minister please comment on the progress of the building of the Bellefleur rifle range in Madawaska county and indicate when it is expected the work will start and when we may expect it to be completed?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I thank the hon. member for having given me notice of his question. The plans and specifications for this range are completed and I understand that the Department of Defence Production propose to call for tenders very shortly. Barring any accident we hope the work will be proceeded with and completed expeditiously.

CANCER

INQUIRY AS TO USE OF HOXSEY TREATMENT

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister been advised that the Hoxsey cancer treatment is being advertised in Canada and that the department of health, education and welfare in Washington has advised United States citizens that this treatment is worthless? What action is the government taking to so advise Canadian citizens?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I shall take my hon. friend's question as notice and give him my usual complete reply later.

BUTTER

STATEMENT RESPECTING MAINTENANCE OF FLOOR PRICE

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): Before the orders of the day are proceeded with, I should like to answer a question asked by the hon. member for Dufferin-Simcoe (Mr. Rowe) on June 22. In my absence he put the question to the Minister of Trade and Commerce and the minister said:

> Since my hon. friend has directed the question to me, I shall answer it.

Then he went on to say:

> I shall draw it to the attention of the Minister of Agriculture. I expect he will be back in his seat next week.

The Minister of Trade and Commerce has brought this matter to my attention.

Mr. Drew: Now that you are back.

Mr. Gardiner: Now that I am back, yes; and now that we are both back. The question was a follow-up on some questioning by different members that had been asked the previous two days. The first question itself is in these words:

> In view of the uncertainty left in the minds of both producers and consumers of butter by the answers given the other day by the parliamentary assistant with regard to the sale of 25 million pounds of butter at 2 cents per pound less than the cost to the government, what security has the butter producer that the floor price of 58 cents per pound will be maintained throughout June, July and August, the months during which I understand the delivery of the 25 million pounds is to be made?

The security is that the agricultural prices support board of the Department of Agriculture offers 58 cents a pound basis Toronto and Montreal and 57 cents a pound basis

Vancouver on the markets right across Canada every day, and no one is required to sell grade A butter at less than 58 cents, so that the price is secured in that way. The second question continued:

If the floor price is 58 cents and the government only buys about one-third of what the dairy producer produces, then what assurance has the producer that the 56 cents, which is the price at which the government is selling butter into the trade—a greater amount at 56 cents than they are buying at 58 cents—with no particular quality distinction—

The position in relation to that is, as I will show in a minute by reading the order in council, that the quality distinction in respect of the butter that the agricultural prices support board is dealing with is that it is grade A butter, all of it, that is being dealt with. The matter of the 56 cents is, I think, dealt with in the answer to the third question which was:

—and also what assurance has the consumer whether the consumer price is to be based on the 58 cents the government is paying for the butter or the 56 cents at which it is selling a larger amount?

The fact is that both actions are based upon 58 cents. In the first place, the 58 cents is always available for fresh butter coming on the market, and in determining the 56 cents at which butter was sold to the trade it was estimated—as a matter of fact, it was actually figured—that butter could not be sold by the trade at much less than 58 cents if they were going to make the usual profits in selling that butter. The cost of switching it from bulk butter to prints and putting it on the market is sufficient to take up the greater part of the difference between the 56 cents and the 58 cents, so that the 58 cents pretty well governs no matter whether it is the consumer or the producer who is affected by it. Fresh butter is available at 58 cents per pound and 1955 butter may be available at slightly less. I continue with question four:

I might also ask the Minister of Trade and Commerce to have the minister or his assistant tell us whether it is a fact that 5 million pounds of this butter has been sold in western Canada at a further reduction to the trade of 2 cents additional, with no assurance to the consumer or the producer.

The fact is, as I understand the situation at the moment, that no such sale has actually been made, but I suppose it could be estimated that the order in council itself governs the price to the extent that in some places the price obtained by the individual might be less than the basic price over a certain area, and I think I should read the order in council to make that clear:

Whereas under authority of paragraph (b) of subsection (1) of section 9 of the Agricultural Prices Support Act, 1944, the agricultural prices support board proposes to offer to purchase from May 1, 1956 to April 30, 1958, Canada first grade creamery butter—

Because we do not deal with any other.

—and under authority of paragraph (a) of subsection (1) of section 9 of the said act proposes to prescribe the following prices therefor:

58 cents per pound basis delivery Halifax, Saint John, Montreal and Toronto,

57 cents per pound basis delivery Vancouver,

all purchases to be subject to such terms and conditions as may be specified by the agricultural prices support board.

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Agriculture and under authority of paragraph (a) of section 2 of the Agricultural Prices Support Act, 1944, is pleased to designate and doth hereby designate as an agricultural product for the purposes of the said act, Canada first grade creamery butter . . .

With regard to this last question, I would point out that the places at which butter would be delivered at the floor price, Halifax, Saint John, Montreal, Toronto and Vancouver, are on the two sides of the prairie section of Canada. Butter goes west to Vancouver from Alberta and probably part of Saskatchewan. Butter goes east from Saskatchewan and Manitoba to the eastern market. Of course, the cost of moving butter from the prairies to either one of these markets is accounted for and it would be somewhere between 1 and 2 cents, and the butter will of course be sold under contracts, whether it is to the government or whoever it may be, at a lower price than it is sold at the two ends of Canada.

I would not be definite in saying that it is below the 57-cent price in certain sections of the west if the butter is coming east but it certainly would be lower than these set prices. I should like to point this out though, while I am dealing with the matter, and I suppose this is the question which is in the minds of some. The fact is that the 56-cent price at which the butter has been offered to the trade is 2 cents below the 58-cent price at which it was purchased last year. It is 1955 butter. In the first year that this plan was followed, two years ago, 2½ cents a pound was the difference. Last year it was 2 cents a pound. Last year we permitted the trade to buy butter at 56 cents during all the time the plan was in operation and the plan was in operation down until September. This year we decided that, in the interests of the producer—and, we think, in the interests of the consumer too—it was preferable that the trade should take delivery of as much butter as possible as early as possible. So we made a definite arrangement with them that they would take 25 million pounds, a large part of it—about a third of it—by June 15; probably another one-third by July 15 and another one-third by August

15. The matter of the cost of carrying butter under this plan would not be as great to the agricultural prices support board as it was under the plans followed in the previous two years. That was the reason for entering into the arrangement which we have entered into for this year.

Then there was the additional fact that every time we talked about marketing butter anywhere outside of Canada during this last six months or eight months, someone in the house somewhere—usually on the opposition side—suggested that butter ought, as far as possible, to be sold in Canada at any lower price at which it was going to be sold. We therefore thought that the arrangement made was such that probably more of the butter which we may have for sale would be sold and consumed within Canada on this basis than on the other. So we are proceeding to have it done in that way because of that desire. I think the policy will work out to the benefit of both the producer and the consumer.

Mr. Rowe: In view of the statement made by the Minister of Agriculture (Mr. Gardiner) may I ask him this question. He said that they are selling butter to the trade at 56 cents and are only buying one-third of what the producer produces during these three months. Is that not giving effect to reducing the price to the producer by at least 2 cents to 56 cents? If they can buy from you at 56 cents, what is to hinder them from buying from the producer at 56 cents, 2 cents below the floor price?

Mr. Gardiner: No. We do not think so.

Mr. Rowe: You buy only one-third.

Mr. Gardiner: Every day the price for that fresh butter is 58 cents.

Mr. Rowe: For how much?

Mr. Gardiner: For whatever they offer.

Mr. Rowe: You took only one-third last year.

Mr. Gardiner: If we took one-third last year it worked out that way. Some years it worked out less than that and some years more than that. One year we scarcely got any. The producer can always deliver his butter—that is grade "A" butter—to the board at 58 cents if no one offers 58 or more. He can sell it every day and every hour that the markets are open at that price.

On the other question—I just referred to it but perhaps I should have made it plainer—may I say this. As to the 56 cents, the price that the trade is going to charge for the butter will naturally be very close to the 58 cents—that is for the 1955 butter—because they have to convert solids into prints or forms of one kind and another in order to sell it to the retail trade. By the time they have done that, they cannot afford to sell the butter at less than about 58 cents. So an attempt is made to have all the butter that is going into the market at as close as possible to the 58 cents paid to the producer. We think it is working closely enough that there is not going to be any undue advantage to the trade over and above what one would naturally expect the trade to get in that kind of deal. When it is all worked out, I think you will find that neither the producer nor the consumer suffers by it. The quantity is only beneficial to us in the fact that the more the trade takes from us, the better we are pleased. We simply have to carry it over until the trade wants it again and pay the carrying charges. If the policy works out in the manner in which we hope it will work out we will save on carrying charges compared with previous years.

EGGS

INQUIRY AS TO REPORTED IMPORTS FROM POLAND

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to address a question to the Minister of Trade and Commerce. Now that the election in the province of Quebec is over, with the result we all know—

An hon. Member: Question.

Mr. Dufresne: —is the minister now in a position to answer the question that I put on the order paper 27 days ago with regard to eggs imported from communist Poland?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I gave a verbal answer to a similar question. I dare say my hon. friend was at that time more concerned with the provincial election than he is now. Perhaps he was not here. I think if he will read *Hansard* he will find the answer.

Mr. Dufresne: I do not think the minister is obliged to make any statement of that kind because he knows perfectly well, as I stated yesterday in my speech, that neither directly nor indirectly did I participate in the election campaign in the province of Quebec.

An hon. Member: You were afraid.

Mr. Dufresne: The Minister of Northern Affairs and National Resources (Mr. Lesage) says that I was afraid. May I say I was afraid that none of the votes would be left for the Liberal party.

SUPPLY

The house resumed, from Tuesday, June 26, consideration of the motion of Mr. Harris for committee of supply.

POWER—CONFERENCE ON DEVELOPMENT OF COLUMBIA RIVER

Mr. Speaker: Order. May I ask hon. members not to be too impetuous. When the deputy clerk was reading the order of the day, he had not concluded reading the order before several members were rising to leave the chamber.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, before I continue the remarks which I had commenced last evening, I should like to apologize to Your Honour for an inaccurate answer I gave to Your Honour when you asked me, after I moved the adjournment of the debate, whether a report from the standing committee on external affairs from which I had quoted had been reported to the house. I answered that it had. Unfortunately, that answer was wrong. Although the report in question has been distributed, the committee has not made a formal report to the house. I trust that no harm has been done. All of these reports from the standing committees are distributed at once and the members had the report. Furthermore, there have been quite extensive reports in the press of the statement by General McNaughton which I quoted. As a matter of fact, I had intended to quote from a press dispatch —it would probably have been more in order—rather than from the committee's proceedings.

Mr. Speaker: May I tell the hon. gentleman that I am always very sympathetic to those who admit they are wrong.

Mr. Green: I had pointed out last evening, Mr. Speaker, that a week from today the Minister of Northern Affairs and National Resources (Mr. Lesage) is to hold a conference with the premier of British Columbia in Victoria at which the problems arising out of the development of the Columbia river for power purposes and similar questions will be discussed. I had stressed the view of the official opposition that it is essential there should be the closest co-operation between the two governments on these questions, which I admit at once are difficult ones.

Then, I was going on to point out that there had been developments within the last few weeks which should be drawn to the attention of the house. They have to do primarily with the manner in which the dam and the power plant are to be constructed at Mica creek on the Big Bend of the Columbia river. I am quite sure that the minister will agree with me when I say that the Mica creek development is the key to the development of the whole of the Columbia river in Canada. This view is held by the minister's own officials, the provincial government officials and by the United States. I have here a report made by Senator Richard L. Neuberger of Oregon, to the Senate committee on interior and insular affairs as a result of his investigation last fall. He had this to say:

> But Mica is the key to the development of the Columbia river in Canada.

He also said, confirming the opinions of dominion and provincial authorities:

> And Mica is ready for construction in the immediate future.

Both of those statements are accurate. I explained last night that General McNaughton had taken the position on June 14 that someone could go ahead right away and make final plans for the Mica creek project. The following day there was a press report of the reaction of the premier of British Columbia to that statement by General McNaughton. I am quoting from the Vancouver *Sun* of June 15, which states:

> Asked to comment on a statement in Ottawa by General A. G. L. McNaughton, Chairman of the Canadian section of the International Joint Commission, that engineers have deemed such a project feasible, premier Bennett said:
>
> "There has never been any doubt about the feasibility of this dam."
>
> "The Social Credit government of B.C. has always been in favour of the Mica creek dam. We've said all along that it was feasible."

He also said:

> The premier told a reporter he has made no definite plans as yet concerning construction of the power station.

Then, there is this further interesting paragraph in quotation marks:

> "'If it hadn't been for the interference from Ottawa, we in B.C. would already have the dam under construction."

The next day, June 16—

Mr. Lesage: You do not believe that.

Mr. Green: I am not saying what I believe at the moment. The following day a dispatch appeared in the Vancouver *Province* reporting that the B.C. Electric, which is the power company on the lower mainland of British Columbia, was seeking authority to build the Mica creek project at a cost of $247 million as estimated by General McNaughton. This was the first time that news had broken; it was something new in the picture. The dispatch contains two interesting paragraphs. The first one is this:

> Before work can begin, there must be agreement between Ottawa and Victoria on the development at Mica, 80 miles north of Revelstoke.

That, of course, is an accurate statement of fact, that there must be agreement between the two governmental bodies. Then it went on:

An understanding also is important between Ottawa and Washington on downstream benefits on the stretches of the Columbia in American territory.

That, too, is accurate, and those are the two vital factors to be remembered in this whole question. May I diverge for a moment to deal with this question of downstream benefits. As Your Honour knows, what is meant by downstream benefits is that the plant downstream which benefits by dams upstream and thereby can produce more power, should pay something for that situation. Canada has taken the position that payment must be in power rather than in money. The Prime Minister (Mr. St. Laurent), when he conferred with President Eisenhower in April of this year, apparently did briefly discuss this question of the Columbia river. Then, on May 23 the Minister of Northern Affairs and National Resources made the statement that these officials in the higher brackets in Canada and the United States would be conferring about the whole question.

While there is great urgency about settling this problem of downstream benefits, it is obvious that nothing much can be done until the fall. I do suggest to the minister in this connection that it would be well for him to have a top level official of the British Columbia government sit in with him or with whatever other Canadian federal minister participates in the talks, because British Columbia is the province most widely affected at the present time. I think it would further co-operation if an arrangement of that kind could be made.

The B.C. Electric statement was made on June 16. Then, on June 21 Premier Bennett made a statement dealing with the proposal that the B.C. Electric should develop this project. He made it quite clear that he was hoping to have United States interests build that dam. I think he obviously intended the power plant would be built by Canadians, whether by the B.C. Power Commission or by private Canadians, he did not say; but he did indicate that he thought the best way to build the dam would be to have it done by United States interests, and he puts up quite a reasonable argument in favour of that proposal.

The dispatch reads as follows:

If power is to be developed on the Columbia, said the premier, then the cost must be kept low.

And, he said, U.S. financing of the dam would mean that this cost would not be charged against the electricity generated at the dam site.

In effect, the 20 per cent "cream"—

He has in mind that the United States should pay in the nature of 20 per cent of the additional power produced for downstream benefits.

—from the extra generation on the U.S. side would come to B.C. at a next to nothing cost.

He believes, and evidently sincerely believes, that United States interests are willing to build that dam without asking for any return, other than the fact that they will get more water through their plants in times when the Columbia river is low. The premier thinks that Canada and British Columbia, of course, will save that much money and therefore the users of the power will get it that much cheaper. The following day he was reported as having amplified his statement as follows:

The premier reiterated that he felt the downstream benefits would make it worth while for the United States to finance construction of Mica dam through formation of Canadian companies.

Then he is quoted verbatim:

We want to make sure the dams are paid for by the downstream benefits, that we get all the power at the dams, and that we get a minimum of 20 per cent of the extra power created downstream on the American side.

There is no room for middlemen in this hydro electric. The most likely development will be by large users of power on both sides of the border.

Now, of course, when he suggests the figure of 20 per cent for downstream benefits, that undercuts the negotiations that the dominion might undertake with the United States government on this very question of payment for downstream benefits.

The premier of British Columbia has taken the same stand before. He took it in May, and then his minister, Mr. Sommers, made a similar statement in the British Columbia legislature in February. It would appear certain they are hoping that the Americans will build this dam free and that someone in Canada can then go in and build the power plant. There is some reason for his contention, because I quote again from Senator Neuberger's report to the United States senate committee. Senator Neuberger had this to say with regard to the Mica creek project:

A second specific proposal is the offer of the Puget Sound Utilities Council to finance the construction of Mica dam, also in return for a share of the downstream power benefits realized by Bonneville power administration as a result of the storage provided by the huge Mica reservoir. This proposal was explained to me in Seattle by Dr. Paul J. Raver, former Bonneville power administrator who now heads Seattle City Light and is chairman of the Puget Sound Utilities Council, and Mr. Jack D. Stevens, consulting engineer for the Council.

The Puget Sound Utilities Council is composed of the Seattle and Tacoma city light systems, public utility districts of Snohomish and Chelan counties, Washington, and the Puget Sound Power and Light Company. Together, these five

utilities propose to finance construction of the Mica project at an estimated cost of $250 million. Ownership of the project would then be turned over to British Columbia, which could arrange for the installation of at-site power. Storage from the Mica reservoir would be released to increase prime power at Columbia river plants in the United States now in existence or under construction by 1,100,000 kilowatts.

There would be that great increase in production in the United States by reason of the Mica dam. I continue:

Of this increase, the members of the Puget Sound Utilities Council would receive from Bonneville power administration the amount of power necessary to amortize the council's costs of financing the Mica project—estimated at about 800,000 kilowatts. The remaining 300,000 kilowatts would be added to B.P.A.'s power pool.

Then, the senator went on:

This plan has been proposed to officials of the Canadian government, of the government of British Columbia, and of Bonneville power administration. Like the Kaiser proposal, it depends on agreement with all three of these governmental authorities.

Incidentally, I believe that if a scheme of that kind were adopted the United States federal treasury, directly or indirectly, would be helping to finance that Mica creek scheme. Frankly, I am a little doubtful of the Americans being willing to put up $250 million for nothing, without being pretty sure that they get adequate compensation in one way or another.

However, these facts I have mentioned indicate that today there is great urgency to get this problem settled as between the federal government and the government of British Columbia. I hope the minister has something to offer to the premier of British Columbia in this conference and I hope that today the minister will give us some indication of the policy of the dominion government on this question. There certainly has been no clear-cut statement from the dominion as yet as to what this government is prepared to do.

Mind you, Mr. Speaker, last year this government took a licensing power over installations on the Columbia river; in fact, it took a veto power so that any project brought forward by the province of British Columbia, or anyone else, can be vetoed here under the act of last year. The Vancouver *Sun* summed that up very neatly on June 15 when it said:

In bringing up this "completely firm proposal" by his engineers for Mica creek, General McNaughton provides a positive policy to set beside the negative, but vital, role played by Ottawa last year when it stopped the British Columbia government's plan to sell British Columbia water rights to United States industry at give-away prices.

It would be unfair for the federal government to sit back and exercise a veto and to say, "Here, you cannot do this and you cannot do that" without making any suggestion. There is a responsibility on the Canadian government to make its position perfectly clear and then do what it can to help. For example, what is the policy of this government on the question of United States control or United States participation in the Mica creek project? That has never been made clear. Personally, I have never hesitated to take the position that I believe this project should be undertaken by Canadians and for Canadians, particularly because all the rest of the development on the river depends on what is done at Mica creek. The Mica creek project will set the pattern for the whole river, and at least a billion dollars will be involved when the over-all plan has been completed.

Then, is the dominion government willing to give any help with the financing? It seems to me that is the way in which the dominion government can step into this picture. I do not believe there would be one cent lost if the dominion government placed its money-raising power behind the provincial government. The dominion can raise money at a cheaper rate than the provinces. We have now got to the position in this country where, in the case of public utilities of this type, the dominion I believe must help underwrite the financing. The same is true on the Saint John river in New Brunswick. On the Columbia the dominion government can very well help the province of British Columbia, with the result that that dam could be built at a lower rate, power would be cheaper, and Canadians could do the whole thing. I place that proposal before the government with all the earnestness of which I am capable. I asked the minister about it on March 20. At page 2298 of *Hansard* I said:

Is the government prepared to negotiate on the basis of a joint investment program?

The minister replied:

Mr. Speaker, I have no comment to add at this time.

I believe the time is here when the minister can say whether the dominion is willing to co-operate on this basis to help out, or on any other basis. Above all, co-operation between the two governments is vital. If they go on sniping at each other from the distance of 3,000 miles, as they have been doing now off and on for many months, the Columbia river will never be adequately developed as it would otherwise be, and the people of British Columbia and, in the long run, the people of Canada will be the sufferers.

This scheme is the largest potential scheme there has ever been in British Columbia. I pointed out to Your Honour that the total

cost of the developments on the river alone would be at least a billion dollars. In addition, there will be as much more spent on transmission lines and on facilities for distributing the power. In the end, it may mean an increase in the population of British Columbia of a million or 2 million people. No one knows just exactly how much it would mean. The possibilities are staggering; it is the greatest thing that has ever appeared over the horizon in the west coast province.

Because of these facts I feel it has been wise today to take the time of the house to bring up this question at this particular stage. I hope that when the minister goes to Victoria next week he will do his part to bury the hatchet—not to try to bury it in the premier's skull but simply to bury the hatchet—and if that attitude is adopted the result will probably be that the two governments will be able to co-operate and get on with some reasonable plan for the development of this Mica creek project by Canadians and for Canadians.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the hon. member for Vancouver-Quadra (Mr. Green) has made quite a comprehensive review of the Columbia basin development situation with particular reference to Mica creek. I do not intend to take the time of the house to repeat a great deal of what he has had to say but I do want to present to the house and particularly to the minister the point of view of this group on this very important question. Before doing that, Mr. Speaker, I might say that sitting here listening to the hon. member for Vancouver-Quadra I was thinking of 1915, 1916 and 1917 when we manned the trenches in France together and spent a good many wet nights and weeks in various trenches there fighting a common enemy and trying to achieve a common objective. I think we are doing that here today. I was thinking we belonged to a battalion that was in the habit of obtaining its objectives and I trust that is a good omen when we come to discuss this situation together; and more than that, Mr. Speaker, we are both very happy to know that one of our comrades whom we have not seen since 1919 is here to witness another attack on an objective that is of importance to the Canadian people by members of his old battalion.

This conference in Victoria between the premier of British Columbia and the Minister of Northern Affairs and National Resources (Mr. Lesage) concerning the development of the Columbia river is one of prime importance, as the hon. member for Vancouver-Quadra said, to the people of our province. I have been a resident of the Columbia river basin for 50 years and I have fully appreciated the intense concern and interest that has been shown throughout the whole district. In fact, I think Senator Neuberger mentioned it in his report, the alertness of the whole population to what this development means to that area and to British Columbia as a whole. We do hope that this first conference between the minister and the premier of British Columbia is a definite step toward one of the greatest developments in hydro that will occur in Canada. As never before, public attention is focused on this forthcoming conference in British Columbia. I have had letters from newspaper people, from a good many people throughout my own constituency and from a great many points in southern British Columbia. While in some cases the letters are written mainly on other topics, during the last month there have been written to me many letters in which people have made some reference to this forthcoming conference and expressed the hope that something fruitful would result from it.

Both governments, the federal and provincial, have a great responsibility to the people of British Columbia and to the people of Canada in this matter. If this responsibility is to be met, we in this group maintain that three things are essential and I mention them so that the minister will be well informed as to the position of this group with respect to this great projected development.

The first thing we say is necessary is a spirit of co-operation between the government of Canada and the government of British Columbia. This thing is too big for party politics to enter. The future success of these developments will be determined by how big the personalities involved are on these occasions.

The second requirement for success in our opinion is the establishment for some type of Columbia basin authority either by the provincial government under the public power commission or as a result of the co-operation between the federal and provincial governments. If the entire water resources of the area are to be developed to the advantage of the people as a whole, in our opinion there will have to be some government authority, some control, some planning, some regulation and some logical approach to the development of the water resources in relation to the development of the forest resources, the mineral resources and the land resources.

When it comes to suggesting an authority such as the Tennessee valley authority or the great public developments on the Columbia river south of the line, I think the record

clearly proves the great advantages of a planned development under public ownership or public control. I think anyone who has studied this question will admit the record proves that public control and planning provide certain things that are not possible under any other form of development.

First of all they provide for the scientific development of the water resources in question. They provide for low cost power such as we have demonstrated in the Tennessee valley development and in the United States public developments south of the line on the Columbia where we have the cheapest power on the North American continent. They also provide for a co-ordinated expansion of industry and agriculture, and to assist that expansion of industry a fair distribution of the power for industrial purposes and a fair and proper use of the available water for irrigation purposes. They also provide that water resources are developed to the public advantage without the waste that would occur through piecemeal development of a basin such as this. All these things, then, bring the consequent economic improvement and also the human welfare for millions that results from that improvement.

The third thing we in this group say is necessary—and I think we in this group are not alone in feeling this way; I am quite sure the great bulk of the people of British Columbia, and particularly in the south-eastern portion of British Columbia, share our view—is that action should be taken as soon as possible to implement what has been a dream for 50 years on the part of some people. We feel this action is necessary if we are going to take advantage of these resources at a time when they will be urgently needed.

The development of the basin has been the subject of discussion for many years in the Kootenay country in a general way without information. There were men, I remember 45 or 50 years ago, who could look forward and see the great possibilities for the development of the hydro resources of the area. I suppose the first general consideration of the problem occurred at the time of the 1944 Columbia reference to this house and to congress in Washington. I think that reference came about because of the realization on the part of those who were in this government at that time that the great development south of the line would soon mean the necessity for the development of our resources north of the line.

I pay a tribute to the farsightedness of those who worked for that reference to this house and to congress in 1944. At that time there were some people who thought that that was rather far-fetched, but the fact is that that reference was the first time that public attention was directed to the possibility of development in the basin. Since that time we have had twelve years of investigation, largely at the expense of the federal government. I think all Canadians who have been interested in this problem recognize the great contribution which General McNaughton has made to this investigation. We recognize his concern over the problem and to make certain that Canadian interests are protected and his farsighted and continuous application to the many aspects of this development.

We appreciate also the interest the minister has shown and his attention to the many unusual aspects of this question. I know personally that the minister is intensely interested in this development and has given a great deal of his time to a study of the situation. He has taken an active part in the development of public policy in this respect.

I think some tribute should be paid to the engineering staff of the water resources branch of the minister's department, the Department of Public Works and the Department of Mines and Technical Surveys. There have been some excellent men who have worked behind the scenes at most modest salaries compared with what some of them could get in private industry because they are interested in the development of water resources for Canadians. When I think of these men working behind the scenes and doing a lot of most technical work and applying their minds to the problem over a period of twelve years, I am always reminded of two lines in Gray's "Elegy in a Country Churchyard" as follows:

> Full many a flower is born to blush unseen,
> And waste its sweetness on the desert air.

I feel that many of those men who worked behind the scenes do not get sufficient recognition. In some quarters there is a tendency to look upon civil servants as being people who are simply seeking security and who are anxious to earn a living with as little effort as possible. Civil servants as a group are human beings like us in this house and have the failings of human beings. I know of a good many civil servants of Canada whose contributions to the welfare of this country are unheard of, unsung and almost unknown. I think this is something that should be said because of the good work these people do.

The result of the reference and twelve years of investigation was climaxed I think by General McNaughton's announcement to the committee on external affairs recently

that Mica creek was a positive plan which could be proceeded with. That was the first definite announcement of any large-scale development in the area. It represents a positive approach. Last year the government had to take a negative approach to protect the water resources on behalf of the people of British Columbia and on behalf of the people of Canada, and I think rightly so. I supported them in that effort.

As the hon. member for Vancouver-Quadra (Mr. Green) has indicated, this announcement created a great deal of interest in British Columbia and has served to focus attention directly on the Mica creek dam which would be located geographically to act as a hub for the distribution of power over the whole southern half of British Columbia. This is a development which the general told us will cost about $274 million and will produce up to 1,100,000 kilowatts.

After twelve years of investigation we have sufficient information for the planning to commence and to unfold. This is the dawn of the day for which a good many people in our province have been longing. In the past the government did its duty by making the reference; the engineers and technicians have done their duty by producing the facts; the Creator provided the natural resources in abundance, and what happens from this time on will depend upon the capacity of this government and the government of British Columbia to meet their responsibilities to the people of this country.

The development of the water resources of the Columbia river basin in Canada should bring untold blessings to millions of people in days to come. From the point of view of this group it is the responsibility of the governments concerned to make sure that these natural resources will be utilized to the advantage of those millions of Canadians.

Some reference was made by the hon. member for Vancouver-Quadra to a statement from the minister prior to his leaving for Vancouver. I must say that I do not agree with that suggestion. I do not think it would be fair to ask the minister to make a statement in this house with respect to this question just before he is to meet the premier of British Columbia and carry on discussions and negotiations in Victoria. I can well understand his not being willing to do that at this particular time. I hope that in the days to come we shall have an announcement of government policy in clear terms. We in this group wish the minister every success in his trip to Victoria and in all he undertakes in connection with this great development which should be to the general advantage of the Canadian people.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I am pleased that the hon. member for Vancouver-Quadra (Mr. Green) has raised this most important question at a time when the minister is preparing to go to British Columbia to discuss the Columbia river basin development. I certainly do not agree with the statement that it was federal government interference which delayed the development of the Mica creek. Undoubtedly the Columbia valley reference delayed some of the undertakings which might have taken place and which would have been of tremendous benefit to the United States only. With that contention I can wholeheartedly agree.

It is quite obvious, as the hon. member has pointed out, that this long-range sniping is not going to get us anywhere. To me it is quite obvious that the sniping has been from the one direction, from the west to the east, since this debate was concluded last year and the international rivers bill brought into being.

If this matter were one entirely of economics I would be in complete agreement with the submission that nothing should be done to develop either the Kootenay or the Columbia valley until we have absolute engineering data to prove that the Columbia can be diverted economically and feasibly into the Fraser river. There are already many political developments, and when I say "political", I mean developments which show that any such diversion would affect many thousands of people. For that reason it would require provincial legislation which might be held up for many years. The federal Department of Fisheries has gone along with the premier of British Columbia in saying that there shall be no diversion of the Columbia river into the Fraser until absolute assurance has been given that no fisheries will be destroyed. For that reason I am quite sure it would be quite a number of years before an official decision would be made on the diversion of the Columbia into the Fraser.

On the other hand I think there will be perhaps less difficulty in determining the feasibility of the diversion of the Kootenay into the Columbia river. This, however, would dislocate a large number of people in East Kootenay, would cause a great deal of hardship and would put under water very large tracts of land that have become well known as great farming communities and tourist resorts. I think that the opinion of the people of East Kootenay, and perhaps of the entire southeastern portion of British Columbia, is that this diversion should be avoided if at all possible.

I have a resolution here from the associated boards of trade and chambers of commerce of southeastern British Columbia which reads in part as follows:

> Whereas the proposed diversion of international waters in the Columbia river system is inconsistent with the spirit and terms of the said reference, adversely affecting rapid and rational development plans and good international relations, and
>
> Whereas in the development of the hydro power resources of the watershed, the free interchange of surplus electric energy is a factor of great economic importance . . .

I do not agree with the chambers of commerce that the diversion of either the Kootenay or the Columbia entirely within Canada is, as they say, inconsistent with the spirit and terms of the said Columbia basin reference. That has become the opinion of some of the leading experts on water power in British Columbia, but in my opinion it just is not so. The reference is quite defined, and certainly the boundary waters treaty of 1909 is entirely consistent with the views held by the federal government.

However, we have seen newspaper reports indicating that the British Columbia Power Corporation is prepared to proceed with a dam at Mica creek, but in announcing that determination they make no reference whatsoever to diversion of the Kootenay river into the Columbia. It appears that it has been determined that the project would be economic without the diversion of the headwaters of the Kootenay river, and therefore that is unessential to the plan. It has also been pointed out that the Mica dam might be built by Canadian corporations or by Canadian governments without jeopardizing the plan for the diversion of the Columbia into the Fraser. The Mica dam would be essential in any case and the water would be diverted some miles below the dam.

I think we are entitled to consider these two basins as separate entities. That contention is put forward by the chambers of commerce, and in this connection I find myself in agreement with them to some extent. In this regard I should like to refer again to the resolution which has this to say:

> Now therefore be it resolved by the associated boards of trade and chambers of commerce of southeastern British Columbia in executive session convened . . . that the policy respecting these important matters in international watershed development should be referred to and determined at the top policy level of the respective governments at the earliest possible date, thereby relieving the anxieties of the people of both countries, and the growing tension on international relations.

That, of course, does not have to do with the matter of separate entities but it does deal with the importance of having the matter discussed at a high level, and that is what the minister proposes to do very shortly. Further, and this is the part dealing with the matter of separate entities:

> . . . and the interest of British Columbia as a whole not adversely affected, that in the ultimate plans of development, the upper Columbia and the Kootenay rivers be considered as separate entities in accordance with the economics of the respective regions, and the hydraulics of the rivers themselves.

The resolution does not explain the matter of the hydraulics of the respective regions, but it is my opinion that the Kootenay river development and the Libby dam could be proceeded with at this time without jeopardizing the Columbia and its possible diversion. The development of the Kootenay river at this time would mean a dam at Libby which has been under consideration for many years. True, it will have the effect of flooding some 42 miles of land in British Columbia, but while the land in that area is good it is used more for cattle ranching and large farms. There would not be a very great number of people who would be required to move. If it is possible to arrive at some measure of agreement with the United States authorities for a return of power in that area, I think that we should come to some early conclusion.

There is one thing that has been overlooked in the discussions regarding the Libby project, namely, that the installations on the lower Kootenay between Nelson and Castlegar are at the present time developing one and three-quarter billion kilowatt hours annually. With the water storage at Libby released in co-ordination with the storage on other parts of this basin, this power capacity could be doubled which would mean that the lower Kootenay could produce three and a half billion kilowatt hours annually.

In addition, I understand that the commission has determined that there is a possible dam site on the Columbia just north of Trail at Murphy creek. A dam there would reimpound the water released from the Libby dam and the water could be used again at that site. Of course, as we heard in the discussion last year, a dam at Murphy creek would have the effect of adding one million acre feet in addition to what was anticipated on the Arrow lakes, bringing the total storage there to about 4½ million acre feet. The Libby dam would also have a very great effect upon flood conditions both in Canada and the United States. I understand that only this year 150 militiamen had to be rushed into the Creston valley to fight against the flood waters of the Kootenay river. These waters would be impounded at Libby and released at a more normal rate of flow. Thus the flood threat would be eliminated for all time. Incidentally, since the huge dikes have

been built in the Creston valley they have been overrun at least twice since 1935, causing untold damage.

There is another matter that it seems to me has been overlooked, or perhaps not overlooked but not given enough emphasis. That is the question of integrating the Pend d'Oreille system with the Kootenay system. The Pend d'Oreille system, of course, in the United States is used almost entirely for storage in the lower Columbia. The Pend d'Oreille river enters Canada near Waneta and flows through Canada about 14 miles. There is no storage whatever on the Pend d'Oreille in Canada. There is, however, 5½ million acre feet annually stored on the Pend d'Oreille for the purposes I have previously stated.

Having regard to this situation, a power site was installed on the Pend d'Oreille by the West Kootenay Power Company at Waneta just before it enters the Columbia river. This dam cost between $30 million and $35 million and is making as much use as it can of the storage on the Pend d'Oreille in the United States. However, as I said earlier, that storage is released purely for the purpose of supplying a constant flow for the Bonneville and Grand Coulee power installations and so on down the line in the United States. For that reason the flow is extremely erratic. I believe it fluctuates between 4,000 cubic feet per second up to 36,000 cubic feet per second. Hence you can see that it is not possible to make the best use of that water. There are many days on which it flows over the spillway and is a complete waste.

The installations at Waneta at the present time can make use of 12,000 cubic feet per second, and of course there are times when they have available only 4,000 cubic feet per second. If the water from the Pend d'Oreille storage could be regulated to a mean flow, they could be provided with about 24,000 cubic feet per second, which would permit doubling the installation and doubling the output of that plant. One can realize that a plant that cost $35 million produces a fairly large amount of electricity. I believe it could produce somewhere near the amount that is already being produced in the lower Kootenay.

What would be required before this regulation of the flow from the Pend d'Oreille could be accomplished would be an integration of the West Kootenay Power Corporation system and the Bonneville Power corporation who I believe are responsible for the administration of the power that is produced at Grand Coulee. A power line joining these two systems would have the effect of integrating the entire system. Then the water releases from the Pend d'Oreille would be integrated with the water releases from the Kootenay and would maintain a constant flow. The turbines would be turning at all times. There would be no wastage of the stored water, and there would be available at certain periods of the year a flow of electricity to the south, while at other times of the year there would be a flow of electricity back into Canada. It simply means that until the energy and the flow of these systems have been integrated, there cannot be a complete and proper development of the Kootenay system.

I think the minister should keep that question in mind and to the forefront when he is discussing the whole matter with the premier of the province of British Columbia. If it is true that the diversion of the Columbia river into the Fraser river would be feasible only if it obtained the flood waters or the headwaters of the Kootenay, then I certainly would hesitate to recommend that we go ahead at this time with the development of the Kootenay. However, I do not think that is so. I also do not think the people of my riding would be too happy to go along with the idea of flooding this great area that has been built up. We realize the flooding that may come from the dam at Mica creek affects only about a dozen people at the most. That may be stretching the point a bit, but there is little habitation from Donald west to Golden and the Mica creek site. It is a large area that is uninhabited, and this flooding will cause little dislocation. We think this project should be developed separately and should be gone ahead with as soon as possible. On the other hand, I feel that the Kootenay river and the Pend d'Oreille basin integration can be proceeded with at once and give the very best return to the people of East and West Kootenay, to British Columbia and to Canada.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I should like to add a few words at this time to what has been said about the problem of power development. I am possibly more concerned with power development in the Columbia valley than any other member in the house, and I have possibly said the least about it. However, I have followed with interest the negotiations that have been taking place over the past six months, and I have felt that things were going along quite smoothly, something which I was glad to note.

First, I should like to say that I am in almost complete agreement with the hon. member for Kootenay East (Mr. Byrne) in saying that the Kootenay river system and

the Columbia river system should be developed as separate entities. The main reason for my belief is that when we start interfering with the flow of rivers, especially international rivers, we are going to bring about extremely serious results.

Mr. Byrne: Mr. Speaker, may I interrupt the hon. member. I did not catch whether he was disagreeing or agreeing with me.

Mr. McLeod: I was agreeing. For once I agree with you. The international complications that arise when we start interfering with the natural flow of rivers might have very serious consequences and delay the development of power that is so badly and urgently needed.

To me it was a source of pleasure to hear our Prime Minister announce in the house recently, after his return from Washington, that this matter had been discussed with the top level authorities there and that arrangements had been made for future conferences. I am very glad to know that our own Minister of Northern Affairs and National Resources will be in Victoria for a conference with the British Columbia government next week. I am sure that much good will come from that conference. Then we understand that in the fall there is to be another conference to deal with downstream benefits. Of course that is the crux of the whole problem of the development of power on these international streams. I wish the greatest amount of success to the minister in his meeting with the British Columbia officials in Victoria and at the conference to be held this fall.

Now, I have here the last issue of the Revelstoke *Review*, a newspaper which is greatly interested in the Mica creek dam which will use the water of the Columbia river for power purposes. There are some important headlines in this newspaper. One of the first is, "General McNaughton confirms feasibility of dam site." He is referring to the Mica creek dam, and I think many months ago most of us were well aware of the fact it was a feasible site. The only comment I would make is that the length of time it has taken to put this decision before the people has been unduly long and has delayed this project to some extent.

Then there is another headline which reads, "B.C. Electric plans Mica dam construction". Now, the British Columbia Electric, we understand, are deeply interested in the development of the Columbia by means of a dam at Mica creek. They are planning a dam that will be some 700 feet high and will be capable of developing 1·5 million horsepower, at a cost in the neighbourhood of $247 million. The power from that dam will be distributed chiefly to the lower mainland of British Columbia over a power line 450 miles in length which will cost in the neighbourhood of $45 million or $50 million. You can see that there is a lot of money going to be tied up in this one project. However, there does not seem to be any question about the problem of financing in so far as British Columbia Electric are concerned. They claim that immediately the signal is definitely given to go ahead, they will be ready.

Before they can get that signal they have to clear five different hurdles. The first is the British Columbia government and compliance with the provisions of their water act; second, the federal government and compliance with the provisions of the International River Improvements Act; then the British Columbia public utilities commission; the United States government and the international joint commission. As I said earlier we hope, as a result of the conferences we understand are being arranged, these will present no serious obstacles.

Apparently the British Columbia Electric are prepared, immediately they receive the go ahead signal, to start exploratory engineering work which will take an estimated two years. Then a further eight years will be needed to complete the project. That is one plan that is being presented to the people of British Columbia through private enterprise, a local Canadian company. It might not be so "local" because it has ramifications from one end of Canada to the other, but it is a strictly Canadian company.

There is one other plan which I think might be worth mentioning at this time and which might command some attention from the people in this house. I have a lot of confidence, more so than possibly some other members who have spoken, in the government of British Columbia. The premier of that province has outlined a plan for the development at Mica creek. Under this plan the dam would be built by the United States with United States capital. Now, I do not want you all to get excited and say, "Here we are selling out to the Yankees". I do not think that is the idea. The United States would build this dam but the entire power developed at the dam site would be the sole property of British Columbia to do with as they saw fit. In return for control of the water flow on the Columbia river, which would result from the construction of the dam and which would allow a steadier development of power south of the border, the United States would pay the cost of the dam. In addition to that they would deliver to the British Columbia government, at the Canadian border, 20 per cent of the extra power which would be generated downstream as a result of this controlled flow.

I am not going to get into any arguments about the pros and cons of the various methods of developing the Columbia river. I am, and always will be, of course, a strong believer in private enterprise. As long as private enterprise is prepared to develop the river, I am certainly prepared to go along with them. We have these two plans; one where a Canadian company would develop it, and of course in that case the Canadian people, the users of the power generated at the dam, would have to pay for the cost of the dam. Then we have the plan of Premier Bennett whereby United States capital would build the dam, turn over the power to the people of British Columbia, and pay for the control of the river which that would give with 20 per cent of the extra power they would develop downstream. I say I am not entering into any argument on the pros and cons of these different methods at this time.

In closing, Mr. Chairman, I can only reiterate the hope that the forthcoming conference of the minister in Victoria will be successful and worthwhile. We hope that the serious problems connected with Columbia river development will be settled around the conference table.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish to thank all hon. members who have spoken this afternoon on water problems, most of whose remarks have been directed to water problems connected with the Columbia river. I am thankful to them for the remarks they have made and the opinions they have expressed. I am sure that such remarks and opinions will be useful to me when I meet the premier of British Columbia in Victoria one week from today.

I have outlined on two occasions in the house the purpose of this meeting. The first occasion was March 20, and my statement can be found at page 2298 of *Hansard* for that date. Then on May 23 I made an announcement to the house, the text of which and the answers to questions concerning which by the hon. member for Vancouver-Quadra and the hon. member for Kamloops, can be found at page 4249 of *Hansard* for that date. I believe I should follow the advice of the hon. member for Kootenay West (Mr. Herridge). I wonder whether it would be wise for me to add any comments at this time just before I discuss these matters, which I have outlined in these statements, with the premier of British Columbia.

In the last few months the officials of the Vancouver office of the water resources branch of the department have been in very close touch with officers and officials of the British Columbia government on these very questions. Moreover, one of the assistant deputy ministers of the department went to Victoria last December, and he went again at the beginning of June. He has had discussions with the officials of the British Columbia government preparatory to my meeting next Wednesday. One must not forget—and this is one of the reasons I believe I should not add anything at this time—that after all the water resources of British Columbia are the property of the province, and that the initiative as to their use and their development rests with the authorities of that province.

Really, in the circumstances I do not believe it would be wise to say anything more before I have the opportunity of meeting Mr. Bennett. I can say, though, I am going to Victoria with an open mind and in a spirit of co-operation, I assure the hon. members who have spoken this afternoon. I myself hope the talks I shall have will be successful, and that they will help in the economic development of the province of British Columbia. That is my aim in going to Victoria.

FREIGHT RATES—PROTEST AGAINST RECENT INCREASES

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I wish to change the subject. I presume the discussion is over on this particular matter. I rise at this time to protest the increase in freight rates that will take place on July 3 unless something is done about it.

We have had a great many increases in freight rates since the end of the war. We have had one freight rate increase after another, until the increases before this most recent order amounted to a total of some 98 per cent. I do not think a good case has been made for an increase in freight rates. If one examines the financial position of the Canadian Pacific Railway I do not think he will find that the Canadian Pacific Railway can prove it is unable, in its present financial position, to absorb out of profits the increase in wages that has recently been granted to the railway employees. The railway workers were given an increase of some 11 per cent, but the railway company, following the award allowing the workers that increase of 11 per cent in wages, applied for a 15 per cent increase in freight rates. It is obvious that the amount of money used by the railways to pay wages is only a part of their operating costs. If they are to get a 15 per cent increase in freight rates on a very substantial part of their revenue traffic they will be getting more than has been given to the railway workers.

In recent years the Canadian Pacific Railway has shown very little change in its gross

earnings. But while its gross earnings have not varied appreciably, its net earnings have been increasing. That, of course, is a natural thing when one takes into account the fact that the railway companies have been increasing their efficiency in recent years. The railway companies have been following a modernization program. They have been dieselizing their lines; they have been laying off thousands of workers; they have made tremendous savings in their wage bills, so that while gross earnings of the Canadian Pacific Railway in 1955 were $448 million, somewhat less than the gross earnings of $457 million in 1952, their net earnings on railway operations had increased from $28·9 million to $37·3 million. I think the railway companies, because of the savings they have already made, are in a financial position to pay the increases in wages that have been granted without any increase in general freight rates.

A number of briefs have been presented to the board of transport commissioners objecting to any increase in freight rates. A brief was presented by the Canadian Federation of Agriculture and one by the Saskatchewan wheat pool. In those briefs they pointed out the position agriculture faces in relation to increased freight rates. The net income of the agricultural industry has been going down in recent years and they have said that an increase in freight rates will further reduce agricultural net income; that the farm industry, unlike any other industry, is unable to pass on its increased costs. Therefore the effect of an increase in freight rates will be a further decrease in the net income of the agricultural industry.

I agree with them when they ask that whatever increase in freight rates may be granted should not be applied to primary production of this country. One might extend that argument to primary production other than farm products, to forest products, perhaps, and certain other products. But as far as agriculture is concerned I certainly agree that the increase should not affect agricultural products.

As the cost of living goes up, as labour efficiency increases, I think the trade union movements are perfectly justified in asking for periodic increases in order that the labouring man can have his fair share of the increased productivity in this country. Labour has been able to increase its standard of living, though perhaps not as rapidly as it thinks it deserves, and for that I am glad. Industry has been able to add to its prices sufficient to cover any increased costs, sufficient to have a substantial profit, a growing profit; but in this same period of time the net income of the agricultural industry has been on the decline. This increase will add further to the decline. In a table in its brief at page 13 the Canadian Federation of Agriculture points out that the net income of the agricultural industry, in terms of 1955 dollars, fell from $1,700 million in 1949 to $1,189 million in 1955.

The Canadian Pacific Railway is not content with the 7 per cent increase that it is about to be granted. It has asked for a 15 per cent increase. The Canadian Pacific Railway is not content with a 15 per cent increase only because the company has put on a very direct campaign to get rid of the Crowsnest pass rates on grain. It is admitted that if the Crowsnest pass rates were abolished, and if the railway companies applied the same rates to the movement of grain that they apply to other commodities of similar bulk, but not necessarily of a similar value, it would increase the revenue they get for moving a bushel of wheat from 12 cents to 36 cents. In other words, if the Canadian Pacific Railway were successful in its efforts to get rid of the Crowsnest pass agreement it would reduce the cost of wheat to the producer by 36 cents a bushel. I wish to warn the government that any move to get rid of the Crowsnest pass rates will be resisted by every farm organization in western Canada. The briefs that have been presented protesting the impending increase in freight rates will be very mild reading compared to the briefs that will be presented and the action that will be taken to protest any tampering with the Crowsnest pass rates.

I rise at this time to ask the government to disallow the impending 7 per cent award. I think the railway freight rates in this country are already too high and that if the railways can prove they need an increase—and I do not think they have proved it yet—any increased revenue they may need should be obtained by some other method. I suggest the government should look very carefully at the question of using subsidies as an alternative proposition. Of course there is already a good precedent for using subsidies with regard to the railways, because of the $7 million subsidy that is now paid annually to the railway companies for maintaining their lines in northern Ontario. I am suggesting it is most unfair that the agricultural industry be further depressed by allowing a 7 per cent increase in freight rates. Unless something is done about it, in all probability this will be followed by a further increase in freight rates, and this will depress the agricultural industry worse than at the present time.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF DEFENCE PRODUCTION

85. Departmental administration and payments to Canadian Commercial Corporation and other corporate agencies for services provided in connection with defence purchasing and production, $6,145,727.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

209. Departmental administration, $510,190.

DEPARTMENT OF THE SECRETARY OF STATE

407. Departmental administration, $244,775.

Proceedings reported.

UNEMPLOYMENT ASSISTANCE

PROVISION FOR FEDERAL CONTRIBUTIONS TO COSTS IN PROVINCES

Hon. Paul Martin (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for contributions by Canada, to be paid out of the consolidated revenue fund, in respect of unemployment assistance costs in the provinces.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Martin: Mr. Chairman, at the resolution stage of this particular bill it is my intention to speak but for a few moments, as I have indicated to those who are charged with expressing the points of view of the various groups in the house. This resolution, nevertheless, is an important one and asks authority to introduce a bill which will authorize the federal government to enter into agreements with the provinces of Canada to provide for contributions out of the federal treasury to be made for local unemployment assistance costs to those in need.

The details of this bill respecting unemployment assistance were worked out during the past year at a number of conferences with the provinces. There were at least, I think, six different conferences some of which, of course, were devoted to other matters but one of which was devoted exclusively to working out arrangements with the provinces, as a result of which we now have agreements with six provinces to share with them in the cost of assistance to needy individuals who may be characterized as unemployed employables or unemployed unemployables, that is persons who have been out of work or who are unable to work.

Unemployment Assistance

One of the clauses of the draft agreement provides that at the first session of parliament the government of Canada will seek authority to validate the agreements that have been signed with the six provinces which I shall enumerate, these provinces being Newfoundland, British Columbia, New Brunswick, Prince Edward Island, Saskatchewan and Manitoba. Other provinces are giving consideration to the matter and at least one other is very close to signature.

The legislation which will follow upon the approval of this resolution will accomplish the following. It will provide the necessary authority for the federal government, through the Minister of National Health and Welfare, to make agreements with the provinces for sharing unemployment assistance costs. Second, it will establish the basis of the federal contribution and will specify certain types of costs which may be included and certain costs which may not be included in the reimbursement claims submitted to the federal government. On all these matters, of course, the legislative provisions will conform with those set out in the agreements already signed with the six provinces, which were tabled in this house several months ago. Third, it will authorize these agreements to be given retroactive effect for a maximum period of one year, not back beyond a period of 12 months, so that in the case of those provinces with whom agreements have been finalized they will date back to July 1, 1955. Fourth, it will ratify and confirm any agreement already made prior to the passage of the bill itself; and finally it will authorize the federal share of unemployment assistance costs covered by the bill to be provided annually out of the consolidated revenue fund.

I am sure that when we get into the discussion of the bill, the discussion will perhaps take into consideration the proposals that were made by the federal government in 1945, and likewise recommendations that were made by a royal commission whose report was discussed at the dominion-provincial conference of 1941. I can only say that the provisions of the bill to be based upon this resolution will be found to go much further than the recommendations of the Rowell-Sirois commission, and further than the proposals made in 1945. These later proposals did not include unemployables, as does this measure, and the resolutions of 1945 did not cover special cases or local situations, as does this one. The proposals of 1945 did not cover the self-employed, and particularly they did not cover, within a certain context, fishermen and farmers.

Under the arrangement which this resolution and the bill to be based upon it envisage, which has already been endorsed by six provinces and is still under consideration by the others, I think I can say we will be able to write "finis" to the deadlock which has existed in this country for a decade or more on the subject of the responsibility of the several governmental jurisdictions for what we call residual assistance, and that henceforth there will be an assurance of organized assistance to persons in need in any part of Canada who cannot qualify for help under any of the existing social welfare measures such as unemployment insurance, supplementary benefits, old age assistance, disability pensions and so on. By this legislation we will eliminate the obstacle presented in the past by the fact that each jurisdiction has argued that responsibility belonged to another level of government. Now no excuse will exist for denying assistance to those in need in any province which has entered into an agreement with the federal government.

I believe this resolution constitutes a piece of important legislation which in its general context will win a wide measure of approval from most hon. members of this house and I am sure by those needy people in our country who have sometimes been made the victims, unwittingly perhaps, of governments which have sought to shift responsibility to other jurisdictions. I do not propose to say any more at this time in introducing this resolution. I am sure that as soon as we go into an examination of the bill we shall find there the greatest opportunity for fruitful discussion in respect of a measure which I think will win wide support.

Mrs. Fairclough: Mr. Chairman, as the minister has said, he consulted with representatives of this and other groups in the house with a view to expediting the passage of this resolution today, and under the circumstances which he outlined to us we are quite willing to go along with that. Of course until we see the bill it is a little difficult for us to make any specific comments, but there are a few things that should be said.

The minister has made some remarks with reference to the shifting of responsibility or the failure of various levels of government to accept responsibility and the tendency to pass off responsibility to another level. It is true that even as far back as the tabling of the Rowell-Sirois report there were various opinions held by various groups as to who was responsible for what. As for myself, I have had very strong views on this matter and have expressed them on various occasions in this house.

The minister has listed the provinces which up to the present time have signed agreements. Of course they do not follow any particular geographical or political pattern. There are notable omissions from the list of those provinces which have to date made agreements with the federal government. I might point out that among those which have not yet signed agreements are the two largest provinces in Canada. Therefore in the implementation of any legislation such as this there will be a very large hole. I see that the minister is smiling and I presume he expected me to say that, but it is true that there will be a large part of our population which will not be covered by this legislation.

Just what the legislation will offer to the provinces remains to be seen. I daresay that the legislation will be pretty well along the lines of the agreements which have been made. It will have to be if those agreements are to be validated. When the minister is replying will he say whether special legislation will have to be brought down this session, or whether this legislation is all that will be required to validate the agreements.

Mr. Martin: That is right.

Mrs. Fairclough: I would expect also that the statement made in this house by the Prime Minister on June 21, 1955, would likewise bear some relation to the legislation which is being brought down and to the agreements which have been made already. I must admit that I have not studied those agreements, which is probably an oversight on my part, and perhaps the minister could indicate when they were tabled.

Mr. Martin: I forget the exact date, but about two and a half months ago.

Mrs. Fairclough: Since the start of this session?

Mr. Martin: Yes.

Mrs. Fairclough: In his remarks at that time the Prime Minister referred to the proposals which had been made and said that the provincial governments had committed themselves to study those proposals and give answers to the federal government. I think it would be extremely interesting to know just what are the answers of those four provinces which have not signed to date; that is Alberta, Nova Scotia, Quebec and Ontario.

Mr. Martin: The correspondence has been tabled as well.

Mrs. Fairclough: The minister indicated that from now on there will be no excuse for any province, and I take it for any municipality, to claim that any person suffering by reason of unemployment is not eligible

for assistance of one type or another. Referring back to my remarks of a few minutes ago with reference to the big hole left in this scheme, I should like to point out that the municipalities have always carried a great load in the administration of assistance to unemployables. When occasion demanded that they offer assistance to persons who were employable but who were unemployed by reason of circumstances beyond their control, then the municipality had a double load. It had its usual role of administrator and also the responsibility of giving relief to these people. This constituted a financial load over and above what could reasonably be expected of the municipality.

The province would say, "It is not our responsibility"; the federal government would say, "It is not our responsibility," and the municipality would fall into the chasm in between. That has been going on for a long time. I do not intend to dwell on it at any length. It is a fact. That is the situation that has existed. Whether the new legislation the minister proposes to bring down will solve that problem, even in the provinces in which it will operate, is a matter for experience to prove. When the minister said that heretofore there had been no recognition given to unemployables at the federal level—I believe those were his words—

Mr. Martin: Unemployed unemployables, people who are unemployed, in need, and who are thought not physically capable of working.

Mrs. Fairclough: Unemployables as opposed to unemployed employables.

Mr. Martin: That is right.

Mrs. Fairclough: The minister said that heretofore none of the legislation at the federal level had included these persons. But if it is proposed to go along with the assumption set out in the Prime Minister's remarks of a year ago and establish a basic load, then in effect they are still not being assisted as such by the federal authorities. You simply establish a basic load or a basic count and say to the province that you allocate that much as its normal load with respect to caring for unemployables. You have a floor under the assistance, in other words, and only when the assistance given in a province goes above that basic level does the federal government enter into the scheme. I admit I am anticipating, but I would think that is a fair assumption taking into account the Prime Minister's remarks of a year ago.

If that is so, then we at the federal level are still not contributing to the provinces or the municipalities for unemployables. We are simply saying that we assume that 0·45, or whatever the percentage figure may be, of your population are normally unemployable, are normally under the jurisdiction of the province and the municipality for purposes of welfare assistance, and therefore we take no responsibility for that percentage of your population. When your load goes beyond that, then we step in.

If that is the case, then the minister's assumption that these people would now receive assistance from federal sources is not in my estimation quite accurate. It is true also that the new formula suggested or proposed a year ago more or less wipes out the stand taken by the Rowell-Sirois commission when they said in their report, in defining employability and eligibility for unemployment aid:

> Our proposal is that a clear line should be drawn between employables and unemployables and that the dominion should assume responsibility for employables only.

By establishing a basic load you solve the problem of deciding who is employable and who is not employable. You merely set a norm and proceed from there. So, as all things change, opinion has changed in the last 10 or 15 years in so far as the administration of assistance for unemployed persons is concerned. I should point out, though, that there is one sentence in this report that may, it seems to me, be hard to overcome even today. With respect to any scheme where administration is at the municipal level they point out:

> . . . hardship might easily result from the reluctance of local authorities to accept the ruling of a local representative of a dominion service.

It will be interesting to hear from the minister just how he proposes to secure equality of treatment for all persons across Canada. I might say further that unless the Minister of Labour, in his submission with reference to the amendment of section 45 (2) of the Unemployment Insurance Act which is still to come before the house, comes up with a really workable solution, then undoubtedly the load with respect to caring for these persons who are disqualified by reason of the failure of the Unemployment Insurance Act will fall on this fund. I cannot see that it could be otherwise. It is to be hoped that the Minister of Labour will have a workable solution because, quite apart from the consideration of whether the load should fall on the unemployment insurance fund or whether it should fall on this unemployment assistance fund, the fact still remains that people who are insured like to feel that they are standing on their own two feet, that they have earned the right to benefit, that they have paid for it, and

they do not want to be recipients of municipal relief, which is what this assistance will amount to.

I have a number of other things I should like to say, but I think when we get the bill and have the minister's further explanation some of these points will be clarified. Therefore, in accordance with my undertaking to him that I would not take too long this afternoon on this matter, I think I shall leave any further remarks until we have seen the legislation.

Mr. Gillis: Mr. Chairman, ordinarily I would wait for the bill to discuss this matter in detail, but there are some thoughts in my mind that I should like to leave with the minister before the bill is introduced. If what I have in mind is constructive there will still be time to change the legislation.

There are a few things that I think should be clarified. I have had a lot of inquiries asking why this measure was in the hands of the Minister of National Health and Welfare and not under the Department of Labour. The answer is, of course, that taking in unemployed people who cannot perform any work whatever makes it a welfare measure.

Mr. Martin: I may say I wondered, too.

Mr. Gillis: That is the answer. You are going to take in these handicapped people who cannot find employment and are unemployable. I should like to leave this caution with the minister. There can be the danger in this legislation that those who administer the Unemployment Insurance Act will tighten up their administration so much that they will dump a load of unemployed into the hands of the Minister of National Health and Welfare. There were over 200,000 people disqualified under section 45 (2) and other sections of the Unemployment Insurance Act last year. To dump that kind of a load on this legislation would put quite a strain on it. Therefore you are going to have a lot of consultation with the Minister of Labour.

The second point I should like to make by way of a caution to the very capable minister is that this legislation could overlap the Disabled Persons Act. You know, a lot of the provincial officials who will administer this legislation can cut corners. If you are taking in handicapped, who should perhaps be under the Disabled Persons Act, the short-cut would be to throw them in here. The minister will have to watch that very carefully.

The matter of assistance to the unemployed is not a new question. It is a very old one. As the minister very well stated, there can be no more passing the buck. The responsibility is now fixed by legislation. The initiative must come from the province, and the federal government will match, 50-50, what the province spends. But the province must make the first move.

There are four provinces that are out or that have not signed agreements. In Nova Scotia their reason, in my judgment, is that they do not pay any unemployment assistance and that by signing the agreement they would be committing themselves to go into the field and take the initiative in setting up some kind of assistance to the unemployed.

The next point I should like to make is that this legislation, matched by the provinces, in my judgment is not altogether fair for the simple reason that the maritime provinces, for example, with the provincial incomes they have, are not able to spend the money necessary to relieve unemployment in those areas, whereas other provinces with greater provincial incomes can go ahead and spend, and have the amount matched by the federal government.

Another point I should like to make clear is that in the formula that was set up by the dominion-provincial agreements on this question, the qualification is set out for the rest of Canada, apart from Nova Scotia, as ·45 per cent of the total population of the province. Worked out, that percentage equals so many people. You must have that many people unemployed before you can qualify for this matching relief. I take British Columbia, for example, with a population of approximately 1,300,000. That figure, worked out, means that British Columbia must have 5,850 unemployed before it can qualify; and that formula applies to the rest of Canada. A special arrangement was made for Nova Scotia because they have no unemployment assistance there. It is ·30 per cent of the population which is approximately 750,000. That percentage would equal 2,250 people in the province who must be unemployed before they would qualify for any assistance. I thought I would put those two examples on the record because to the average person outside reading those percentages of ·45 and ·30 as applied to the total population, the formula does not make much sense. They would not understand the situation very well. However, it is a very simple formula once it is put in simple language.

To follow up the record of assistance I went all through this book I have in my hand. I may say that a great deal of study has been given to this matter of unemployment assistance. The book to which I refer is entitled "Dominion-Provincial Conference on Reconstruction, 1945-1946". The conference started

back in August, 1945, and concluded in May, 1946. But in April of 1946 the official proposals with regard to assistance to the unemployed read as follows, and this will be found at page 387 of the proceedings of April 29, 1946:

Unemployment Assistance

In addition to unemployment insurance, the dominion will set up a system of unemployment assistance under which it will pay benefits equal to 85 per cent of unemployment insurance benefits, to unemployed persons able and willing to work who are not entitled, or who have ceased to be entitled, to unemployment insurance benefits. This assistance will be limited to two years of continuous assistance, but a person will again become eligible for this assistance following an approved period of employment.

I think the present arrangement the minister is making is a very much better one than that final proposal to that dominion-provincial conference, because the question of a person running off regular unemployment insurance benefits has been taken care of to some extent by the seasonal benefits that have been established for three months, namely January, February and March. This arrangement at the present time, in my opinion, reflects the best thinking that was done all during this conference. I have read over these proceedings, particularly on that question, and that was the final solution.

As I said before, I think the arrangement now being made by the minister is a better one, but still it is not an ideal arrangement. I can envisage a great many complications, particularly in its administration, because this type of legislation goes back to the provinces for administration. The provinces have to take the initiative in spending the money. The federal government will then reimburse them to the extent of 50 per cent of what they spend. But in provinces like Nova Scotia and New Brunswick you are going to find the situation rather difficult. They will not be bothered very much in Prince Edward Island and I do not think they are bothered too much in Newfoundland at the present time, because I think your fishermen are self-employed. I see the Minister of Citizenship and Immigration looking at me. Your fishermen are self-employed. Under this particular legislation they have not any protection at all.

Mr. Martin: Oh, yes.

Mr. Gillis: If they are self-employed?

Mr. Martin: This includes self-employed and any other individual, fisherman or farmer, who is in need and out of work. It includes fishermen and farmers as well.

Mr. Gillis: The qualification is "in need"; the qualification is "unemployed".

Mr. Martin: Unemployed, in need.

Mr. Gillis: That is where I think you are going to have difficulty. Remember your experience; and you have still to correct your disabled persons pension.

Mr. Martin: When we get into the bill I think we can deal with that matter.

Mr. Gillis: All right. I am just provoking your thoughts now so that you will be prepared.

Mr. Martin: No one can do it more nicely than the hon. member for Cape Breton South.

Mr. Gillis: The minister's heart and head are in the right place but unfortunately he cannot be in 10 different provinces advising the people who will interpret and apply this legislation. In fact, if the Minister of National Health and Welfare were sitting down with any of the boards in any of the provinces when they came to the question of deciding this matter under the Disabled Persons Act, there would not be any trouble. But he is not there.

As he knows, this is another piece of legislation that is going to be handled by the same people who are interpreting the Disabled Persons Act. Your difficulty is going to begin when you reach borderline cases. It is all right if it is a straight matter of unemployed and you are registered for employment and you are able-bodied. That matter will not be difficult. But you are going to find hundreds of people who are handicapped, borderline cases, and the difficulty is going to come in there as to whether they belong under the Disabled Persons Act or whether they fit into this legislation as unemployables.

In provinces like Nova Scotia, Prince Edward Island, Newfoundland and New Brunswick, provincial incomes are lower than those of Montreal, Toronto, maybe Vancouver and other cities. To maintain the services which they must maintain now, as in the field of education, with the limited income they have, a rather strict interpretation is going to be put on the qualification necessary to receive the benefits of this legislation. If the federal government were determining this matter, I would say that perhaps we would not have much difficulty. But when you have a province that is just going on a shoestring it is a different matter. There may be about 3,000 people unemployed, and they must take them and farm out $10, $12 or $15 a week to them. The amount of weekly benefit is going to have to be related to some extent to the unemployment insurance benefits. If there were 3,000 or 4,000 unemployed in a province, the provincial premier would have to decide whether he was going to spend $20,000,

$50,000 or $100,000. He has to spend some money to get some back from Ottawa, but he is going to think it over very carefully. I think that is one of the reasons at least why Nova Scotia is out. They are being very careful to see they are not getting into something they are not able to handle financially.

Of course we will be in a better position to discuss this after we see the bill. However, as I said before there is no harm in pointing out some of the difficulties to the minister because the bill has not yet been introduced. We can point out some of the stumbling blocks we can see, particularly with respect to administration and with respect to provinces with low incomes. A concession was made in lowering the percentage of the population that have to be unemployed. There is still time for the minister to take another look at that bill and ascertain if there could not be some modifications made in it, particularly in connection with this matter of administration.

Before I resume my seat, Mr. Chairman, I want to say that so far as I am concerned I have always been of the opinion, and am still of the opinion, that the employable unemployed in this country are the responsibility of the federal government. I believe that in order to achieve equality in the matter of unemployment relief which is not covered by unemployment insurance, and recognizing the fact that provincial incomes are not equal, the federal government must accept the responsibility. They have the taxing powers necessary to raise the finances to bring about that type of equality right across the country.

Mr. Thomas: Mr. Chairman, I am going to withhold any suggestions or criticisms I may have until the bill is before us, and probably until we get into the committee stage on the bill. I will say that this legislation could, and probably should, fill the gap that has been quite apparent in the unemployment insurance program. It is one for which we have pressed before, because it was one of the points in the seven point program laid down by the hon. member for Bow River during last session. I cerainly hope this legislation is not going to be so restrictive or so niggardly that the proper number of people are not going to be able to get benefits under it. Some of the welfare legislation which has been passed in former years has been entirely too restrictive. For example, the disabled persons pension was such that the Alberta government either had to cut off some of those who were receiving aid under the provincial program or continue to pay on their own, as they were forced to do.

Other than that, I am not going to say anything. We hope this bill is going to be wide enough at any rate to fill the gap that exists in the unemployment legislation and give all Canadians the benefits they should get as the result of an unemployment program.

Mr. Martin: I presume there is no one else who wishes to speak, so I accept the invitation of the hon. member for Hamilton West, who quite properly asked several questions. I think the discussion this afternoon in this preliminary canter has been very helpful. I thank hon. members for it.

The hon. member for Hamilton West pointed out that although we do not have the bill before us, it was incorrect to say that the bill was to provide an assistance program by the federal and provincial governments to two classes of people, the unemployable and the unemployed employables, in all parts of the country.

Mrs. Fairclough: I just said it was incorrect to say it was for the unemployables.

Mr. Martin: My hon. friend is partly right, because the bill with which we hope to deal shortly provides for this assistance only in those provinces with which we have agreements, the six provinces I have named and in at least one other I expect will come in very shortly, and possibly two others. Of course the hon. member was right likewise in pointing out that there was a hard core in this problem that would be left either with the municipalities alone or with the municipalities and provinces.

To appreciate the significance of that, one has to recall the recommendations made in the Rowell-Sirois report which, as the hon. member for Cape Breton South said, recommended that the federal government should assume entire responsibility for the unemployed employables and should also bear the responsibility for administration in connection with this group. It is also true, as the hon. member for Cape Breton South said, that in the proposals made to the provinces in 1945 the impression was created that the federal government was prepared in that package deal to assume 100 per cent responsibility for the unemployed employables.

The real fact is that a careful reading of the minutes of that conference will show that the federal government did not agree to assume entire responsibility, in the proposals which were part of the package deal, for the unemployed employables. All the federal government did was to agree to assume responsibility for this group for a limited

period, a period of two years, which was to be a period during which the Unemployment Insurance Act, which had been then in existence for five years, would be allowed to gather further experience, bring in other classes of workers under its coverage and generally profit by additional experience that would come from further administration of the act.

I think the value of this particular measure lies in at least the implication given by the hon. member for Hamilton West when she said that at no time—at least I understood her to say this, but perhaps it was the hon. member for Cape Breton South—was there ever any suggestion that the federal government should become responsible for those unfortunate fellow citizens of ours who are unemployed, and who even if work could have been provided for them were not capable of performing work. This legislation has, as I think its main value, that it reaches in very large measure that group of people once a certain condition has been met which we shall discuss when we come to the legislation.

I think we all felt—and certainly when we had a temporary period of unemployment about a year and a half ago—that it was unfortunate that in a federal state a situation should be created whereby needy individuals should go without assistance from the community in one form or another, simply because it had not been settled which jurisdiction was either constitutionally responsible or responsible because of the lack of agreement among the various levels of government.

Now, assuming the existence of the hard core problem which the hon. member for Hamilton West mentioned, this legislation will, in respect of those provinces with which we have agreements, remove that situation. By this legislation the federal government is not only agreeing to provide on a sharing basis for assistance for the unemployed employables once they reach a certain percentage of the population of the province, but it is also assuming a responsibility—and this is a new departure for us in Canada—once a certain proportion of the indigent group has been reached, along with the province, for that class of people. That is a new departure. It is one of the main purposes of this bill, and it is a purpose that we shall all want to bear in mind.

It is not asking too much that municipalities and provinces combined should continue to have some responsibility for those portions of the unemployed group in the country, whether employable or not, who are represented by the phrase "hard core". When we get to the bill we can indicate the extent to which we are relieving the provinces and the municipalities of a great responsibility in this particular.

My final observation is that I do not think my hon. friend should be concerned about the danger of dumping on to this legislation the responsibilities that should normally attend the Unemployment Insurance Act, because there is a check on that and that check will be the provincial governments, which will be called upon under this legislation to provide 50 per cent of the cost, either themselves with the municipalities or through the municipalities alone. Therefore, Mr. Speaker, I think the brief discussion that has preceded the introduction of the bill points out the value of this particular legislation, notwithstanding that we may have some disagreements on some details. This resolution does represent an important further step in the development of our social welfare program in this country.

Mr. Blair: Mr. Chairman, may I ask the minister a question before he leaves? I have found some difficulty in outlining the definition of when a person is disabled under the disability act. When is a person unemployable, according to the minister's conception? Where is the dividing line between a permanent disability and unemployable?

Mr. Martin: Well, as far as this legislation is concerned, it will be up to the provinces and the municipalities to tell us, within the context of the legislation, which individuals come in that group. It will be a matter of administration, and I think we shall not experience any real difficulty. I shall go in to that further when we get to the bill.

Mr. Barnett: Mr. Chairman, I have a question to ask the minister while the resolution is before us. I am wondering what provision is to be made in the legislation, or otherwise, for setting a floor or a ceiling, or both, upon the rate of assistance which will be paid?

Mr. Martin: The rate of assistance will depend upon the rates paid by the provinces, of which the federal government commits itself to pay not more than 50 per cent.

Mr. Barnett: Do I understand from that, that the level of assistance to be paid is entirely in the hands of the provinces?

Mr. Martin: That is right.

Mr. Barnett: And, under this legislation, the federal government will be prepared to match whatever rate the province pays?

Mr. Martin: That is right.

Mr. Blair: Mr. Chairman, I should like to ask the minister another question. I asked the Minister of Labour about it the other

day. It has to do with the question of people who are over 40 years of age and who would be considered employable but who, owing to their age, cannot get employment. I have in mind a municipality. An industry closed up there and many of those people were left without work. The point I am coming to is this. When they apply for work they find that any person over 40 years of age is not considered employable. They were told that very nicely when they made application. Of course, at the bottom of it all was the fact that they were not considered as fitting into the pension schemes, or the training schemes, of those firms to which they made application.

A person 40 years of age is too old to get a job. I wonder whether that can be taken care of in some way. Do they enter into the unemployables? Would it be considered at any time that a man 40 years of age is unemployable? These people cannot get jobs; they are not considered employable in the eyes of the managers of those companies to which they apply. They are unemployable.

This is a situation we must recognize. It is happening all across the country. The situation exists in my own riding. These people simply cannot move out of the town in which they live. There is no possibility of them getting jobs. They have tried very hard to get jobs. Whenever they apply for a job they are asked, "How old are you?" If they are 40 years of age they are told, "We do not want you in our firm because you do not fit into the pension plan, and we like to train our own men". Therefore to all intents and purposes, no matter how we regard it, they are still unemployables.

This is a situation we should recognize, and something should be done for these people. Their unemployfent insurance ran out on May 1. They are quite without funds except what they saved from their earnings. At the same time, as I suggested before, they are unemployable by reason of the fact that no firm will employ them. If they go to the unemployment insurance people they might be offered other jobs, but you cannot ask a man to go out and do work on a highway or do other forms of labour when he has been a factory man all his life, or perhaps an expert mechanic. It just does not work out that way.

At the present time the situation exists, and I again call it to the attention of the government. I asked the Minister of Labour about it the other day and I now appeal to the Minister of National Health and Welfare to do something for these people.

Mr. Martin: It will be covered by this legislation.

Mrs. Fairclough: In remarking on the date on which the agreement is to become effective the minister said it would be retroactive for one year but would not go back prior to July 1, 1955.

Mr. Martin: The agreements are retroactive for 12 months. In the case of the six agreements that brings them to July 1, 1955.

Mrs. Fairclough: Do all the agreements go back to the same date?

Mr. Martin: Twelve months from the date—

Mrs. Fairclough: Of signing.

Mr. Martin: Yes.

Resolution reported and concurred in.

Mr. Martin thereupon moved for leave to introduce Bill No. 436, to authorize contributions by Canada in respect of unemployment assistance costs in the provinces.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF DEFENCE PRODUCTION

85. Departmental administration and payments to Canadian Commercial Corporation and other corporate agencies for services provided in connection with defence purchasing and production, $6,145,727.

The Deputy Chairman: Shall the item carry?

Mr. Nicholson: Mr. Chairman, I thought we were going to consider the estimates of the Department of the Secretary of State?

Mr. Harris: I am sorry I was not able to advise my hon. friend—I was able to do it with respect to other parts of the house—but the Secretary of State is not available and in view of the time I thought if the Minister of Defence Production would just make a statement which would be available for the record, in any event there would be no harm done.

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Chairman, in introducing the estimates of the Department of Defence Production I would like to deal in general terms with Canada's defence production program which the department administers, in order to illustrate the scope of the work undertaken. From a defence production standpoint Canada has accomplished much in the last five years and developments have taken place which have strengthened and broadened our defence potential. In a number of fields new sources of supply have been developed in this country, and it is of interest to note that whereas in 1951 some 25 per cent of our defence orders, in dollar terms, were placed in the United States, last year this figure had dropped to 2 per cent.

An important factor in defence production is the state of the economy as a whole, and in this regard Canada has been most fortunate. Our industrial expansion and economic growth over the past years have added immeasurably to our defensive strength. Now that the initial build-up of the defence program has been completed, and re-equipment of our forces and maintenance of our defence production base have become the major considerations in the program, the underlying strength of the Canadian economy is of vital importance. It is against this background that the present program should be considered.

In carrying out its task of filling the defence requirements of Canada's armed forces, the Department of Defence Production has maintained a flexible production program which has been adjusted to changes in these requirements over the past five years. While this year's estimates of defence expenditures for equipment and services to be supplied by this department show little change, there are a number of adjustments and adaptations which I would like to discuss today, with some reference to the effect on the program of Canadian industry.

Five years ago I pointed out that there were certain phases of aircraft production in which it was felt that this country could make a contribution, not only to our own defence effort but to that of our allies as well. In some cases this meant using design and technical know-how of other countries and adapting them, where necessary, to our own needs. In 1951 deliveries of CF-100 all-weather interceptors and Orenda engines were just about to start, the F-86 Sabre was in quantity production powered by J-47 engines purchased in the United States, the Harvard trainer program was developing and there were plans for the production of the T-33 jet trainer.

Since then we have spent almost $2 billion on the aircraft program, more than three-quarters of it in Canada, and the tasks which were outlined in 1951 have been largely completed. A great number of CF-100 fighters have been produced, the majority being of the improved mark IV model, and further improvements are still being made. Canada has produced a very successful combination of the F-86 airframe and Orenda engine. The Harvard program has been completed and the Canadian manufacturer is now the sole source of supply for maintenance parts for this widely used training aircraft. The T-33 program has also been completed and current production is limited to replacement needs only.

During the same period we have for the first time established Canada as a producer of aero engines. The outstanding achievement, of course, has been the Orenda, of which improved versions are now being delivered. Rolls-Royce have completed production in their Canadian plant of Nene engines for the T-33 trainers, and the product has given excellent performance. In addition, a piston engine plant has been established near Montreal by Canadian Pratt and Whitney Limited which has supplied Wasp engines for both the Canadian and the United States governments and for supply under the Canadian mutual aid program to our NATO allies.

The production record of the past five years has borne out our expectation that a Canadian aircraft industry could successfully compete in certain fields with producers in other countries. The best evidence of this fact lies in the proven performance of the product. In the Orenda-powered F-86 Sabre, the Royal Canadian Air Force possess a day interceptor which is the equal of any in regular squadron service. The CF-100 continues to be one of the mainstays of the North American continental defence system, and will shortly make its appearance in Europe as part of the Canadian air division overseas. The success of this aircraft has demonstrated Canada's ability not only to build but also to design a first-class high performance aircraft. The same is true of the Orenda jet engine, which is so largely responsible for the excellent performance which the CF-100 and Sabre have given. At the same time, the Canadian aircraft industry has proven its ability to organize these complex production tasks quickly and to deliver at reasonable costs.

With respect to costs, we are satisfied that the decision to develop Canadian production has been justified economically. For various reasons, direct cost comparisons between countries are difficult to make. No two aircraft are identical and the types produced in Canada have been designed or modified to meet characteristic Canadian requirements. In addition, the size of the production run, which for Canadian requirements is bound to be limited compared with production runs in some other countries, has an obvious bearing on the element of overhead which must be borne by each aircraft produced. The record indicates, however, that the prices we have paid compare favourably with those we would have been required to pay for aircraft produced elsewhere.

But there is more than economic advantage to consider. A direct by-product of this policy is that we now have research and production facilities and engineering experience that did not exist in Canada before. From the point of view of our defence program this has been a major strategic gain. It has also added to our technological and industrial stature. It

has provided challenging opportunities for engineers and to a large extent has helped stem the flow of our best skills and talents to other countries. The aircraft industry has now reached ninth place among all Canadian industries in terms of the factory value of its products, and third place in terms of employment. In the aero engine field particularly a whole new industry has been born. It has meant new plants and the expansion of old ones, new techniques, new skills, and new engineering facilities. All this industrial development may be regarded as an additional dividend on our original investment for defence.

In the interests of defence, the government has given assistance to the aircraft industry. As you will have seen from the annual report of the department, expenditures on capital assistance to the aircraft industry to the end of 1955 amounted to slightly more than $100 million. Assets acquired under this type of assistance remain, of course, the property of the crown, and the contractors to whom they are provided are held fully accountable for their proper care and maintenance. It has also been our policy, however, to encourage the industry to invest its own funds in plant and equipment, and to this end accelerated depreciation has been allowed in a number of cases.

The growing confidence of the industry in its future is reflected in the fact that it has purchased from the crown almost 60 per cent of the assets provided as capital assistance. The total capital outlay made by the industry during the five-year period is therefore appreciably greater than the net crown holdings. I should add that this ratio of industry to government investment is believed to be considerably better than that which exists in other major western countries.

Since the original program adopted in 1951 is now substantially completed, hon. members will be interested in the prospects of this complex new industry. For the future the main items to be produced in Canada will be the CF-105 supersonic fighter, the CL28 maritime reconnaissance aircraft and the CS2F anti-submarine aircraft for the navy. In the engine field we shall have the PS13 turbo jet for the CF-105 and the R1820 Cyclone engine for the CS2F.

It is of interest to note that of the three aircraft I mentioned one, the CF-105, is of all-Canadian design; a second, the CS2F, follows completely a United States design; and the third, the CL28 maritime reconnaissance, is based on the Bristol Britannia but has been modified by Canadian designers for its maritime role and for the installation of the Wright engines.

[Mr. Howe (Port Arthur).]

The engine production program shows the same mixture of Canadian and foreign design. The PS13 represents an all-Canadian engine which is being developed for the CF-105, although the first aircraft to be produced will be fitted with J75 jet engines purchased in the United States. Hon. members will be interested to know that the PS13 has passed its 50-hour pre-flight rating test, which is the first milestone in the development of an airplane engine. The R1820 piston engine, being produced in Canada for the CS2F, follows a United States design and is being built in Canada under licence. For reasons of economy we are buying engines outright from the United States for the CL28, the number of aircraft being comparatively small.

It will be evident from this that we are continuing to follow a selective policy in the development and production tasks which are being assigned to Canadian industry. It would be a needless extravagance for Canada to attempt to meet the needs of its armed forces entirely from its own technological and industrial resources. The engineering experience and production facilities which we have developed will be employed to the fullest extent possible, but it is only common sense to adopt proven designs from other countries where it is to our advantage to do so, or to buy our aircraft or their components elsewhere where the numbers required will not warrant production in this country.

In the process of transition from the original program of 1951 to the new program based on the services re-equipment needs, one of the principal concerns of the Department of Defence Production is to ensure that there is as little disruption as possible in the industry. However, two important points must be noted. First, the phasing of the re-equipment program must depend, in the last analysis, on factors which are unrelated to the level of industrial activity. These factors include the delivery requirements of the services and the rate of progress achieved in development work. Second, it should be realized that the re-equipment program will not require production on a scale comparable to that of such peak years as 1953 and 1954.

The house will recognize that the aircraft industry is primarily a defence industry. Parts of it, and particularly such major concerns as Orenda, Avro and Canadair, depend almost entirely on defence orders. The production of military aircraft cannot operate on a stop and start basis, since there is no suitable civilian product to which it can be readily converted. During the past year we have had to resort to stretch-outs of production at reduced rates of output, where service requirements permitted, in

order to keep production lines open and to stabilize future work loads. As a result some lay-offs have been unavoidable and there may be further contractions to come.

Subject to these limitations, the aircraft program will be conducted in such a way as to stabilize work loads and employment to the greatest extent possible. We do not expect, in the foreseeable future, to reach levels of activity comparable to those of world war II and the Korean emergency. On the other hand, we shall do our best to avoid troughs like that of the years 1945 to 1948, and shall endeavour to continue to keep the aircraft industry intact, as a going concern, in all essential respects.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take second reading of the bill with respect to unemployment assistance and then the estimates of defence production.

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

Question

ANSWER TO QUESTION

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

UNEMPLOYMENT INSURANCE STATISTICS

Question No. 531—**Mr. Hahn:**

1. What was the total amount in the unemployment insurance fund for each of the years ending December 31, from 1951 to 1955 inclusive?
2. What were the total payments of unemployment insurance claims during each of these years?
3. What was the total administrative cost of operating the unemployment insurance service for each of these years?
4. What was the total income of the unemployment insurance fund during each year?

Answer by: **Hon. Milton F. Gregg (Minister of Labour):**

With the approval of Mr. Hahn the reply to his question is given for each one of the corresponding fiscal years.

	Fiscal Year	Amount
1.	1951-52	$782,828,328.15
	1952-53	857,315,440.81
	1953-54	887,529,068.44
	1954-55	846,283,932.94
	1955-56	859,470,557.93
2.	1951-52	$ 90,463,014.95
	1952-53	135,330,319.91
	1953-54	186,850,160.68
	1954-55	257,627,984.14
	1955-56	215,204,891.72
3.	1951-52	$ 23,519,567.26
	1952-53	24,954,926.98
	1953-54	26,096,722.06
	1954-55	28,268,565.30
	1955-56	26,622,106.29
4.	1951-52	$198,756,309.23
	1952-53	209,817,432.57
	1953-54	217,063,788.31
	1954-55	216,382,848.64
	1955-56	228,391,516.71

HOUSE OF COMMONS

Thursday, June 28, 1956

The house met at 2.30 p.m.

INDUSTRY

KRUPPS—PRESS REPORT OF ESTABLISHMENT OF BRANCH PLANT IN CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. I can assure him it has nothing to do with wheat or box cars. Can the minister inform the house whether there is any truth in press reports that the infamous Krupps intend to establish a branch steel plant in Canada?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I have heard no suggestion that Krupp is to establish a steel plant in Canada. I have read press reports, but I am quite certain that had there been any serious plans I would have heard of them, and I have not.

LABOUR CONDITIONS

A. V. ROE LIMITED—REQUEST FOR GOVERNMENT INTERVENTION IN LAY-OFFS

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Minister of Defence Production. Can the minister inform the house if he is taking any steps to ensure that A. V. Roe workers will not be laid off as the result of a cut-back in the production of the CF-100?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, the government has found it necessary to cut back the production schedule of CF-100 aircraft at A. V. Roe starting later in the year. However, A. V. Roe is a private plant and the government would have no voice in the disposition of its labour; that is a matter for A. V. Roe.

Mr. Pallett: May I ask a supplementary question? Is the minister aware of the representation that was made in this house that steps would be taken to ensure that there be no troughs of unemployment in the aircraft industry or that the working force would be maintained?

Mr. Howe (Port Arthur): I am not suggesting that the cut-back represents a trough in aircraft work. I stated yesterday that the aircraft program initiated five years ago has now been completed and that the work of the aircraft plants will be to provide replacements for the aircraft that have already been built. In the case of A. V. Roe a new plane is coming into production in a year or two, but I would not regard the present lay-off as a trough. I think it likely that the lower level of employment will endure for some time.

[*Later:*]

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct to the Minister of Defence Production a question somewhat related to the questions which were asked earlier in regard to the cut-back of production in the A. V. Roe plant. Will the government call a conference, representative of labour, management and government, to discuss the situation involved in this pending lay-off, as is being requested by the union concerned, and in line with the previous undertaking given by the government in this connection?

Mr. Howe (Port Arthur): Mr. Speaker, I know of no undertaking given by the government that a meeting between A. V. Roe, its employees and the government would be called to discuss lay-offs. A. V. Roe is a private plant and has a contract with its employees, which contract I assume will be carried out. The Department of Defence Production orders the aircraft that the Department of National Defence indicate as required from week to week. The labour relations within the plant are not within the purview of this government.

[*Later:*]

On the orders of the day:

Mr. Barnett: Mr. Speaker, I would like to direct a supplementary question to the Minister of Trade and Commerce in connection with the question I asked him a few minutes ago. Would the minister care to check with the Department of Labour with respect to the statement that the government gave no undertaking to call a tripartite conference in view of the information that has been received by hon. members today by telegram that in January 1955 such an undertaking was given with respect to the future lay-off plan?

Inquiries of the Ministry

Mr. Howe (Port Arthur): Well, Mr. Speaker, I will be glad to search my own files. I do not think I need to go beyond that. As far as I know, labour matters at A. V. Roe are handled by the province. I do not know of any labour agreement with the federal government.

ALLEGED IMPORTATION OF UNITED STATES WELDERS INTO BRITISH COLUMBIA

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Is the minister yet in a position to give any information to the house on the question of the issuance of permits to welders to enter the province of British Columbia to work on the pipe line there?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Yes, sir, I intended to speak to the hon. gentleman privately about this matter. We have had an interim report from Vancouver and I am expecting a more detailed report in the current mail. It does appear that the actual union which is the bargaining agent for these welders has no complaint whatsoever and that another association which is not the union in question has made some complaints. These complaints have been investigated and in the main they appear to be almost entirely without foundation. However, it has been the practice of employers to ask welders to go to the place where the work is to be done in order to have their tests and that has put them to some inconvenience. I am told arrangements have now been made to have the tests conducted in Vancouver.

Mr. Winch: May I ask a supplementary question. Will the minister advise the house when he is in receipt of the detailed report to which he referred?

Mr. Pickersgill: I shall be glad to speak to the hon. gentleman about it as soon as it is received.

EXTERNAL AFFAIRS

ICELAND—INQUIRY AS TO POSSIBLE WITHDRAWAL OF UNITED STATES FORCES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Acting Secretary of State for External Affairs, and to ask him whether he is in a position to make any observation on what the effect will be on North American defence should Iceland decide to cause United States troops there under the NATO agreement to withdraw? Would he also say what representations, if any, Canada by reason of its peculiarly friendly attitude to Iceland, is making in order to warn of the serious danger to North American defence should the course indeed be followed of causing NATO troops to withdraw from Iceland, rendering that country more or less vulnerable to communist attack?

Hon. Paul Martin (Acting Secretary of State for External Affairs): My hon. friend, I am sure, will appreciate the great importance of this matter and he will not expect me to deal with every aspect of his question. The defence agreement between Iceland and the United States which provides for the stationing of United States forces was concluded in 1951 as a result of a request from the North Atlantic Treaty Organization. I should have said at the outset that I am grateful to my hon. friend for having given me notice of his question, and having given me an opportunity thereby of discussing this matter with those whose job it is day to day to deal with this particular situation.

The secretary of state for the United States has recently stated:

> The United States has bases in Iceland, not in its own right but acting as an agent for the North Atlantic Treaty Organization.

I may say it is a question in which Canada and other NATO countries have a definite interest. The treaty provides that either the United States or Iceland may, at any time, on notification to the other government, request the NATO council to review the continued necessity for the facilities and their utilization, and to make recommendations to the two governments concerning the continuation of this agreement. If, six months after the review by the council, no understanding is reached between the two governments, either government may at any time give notice of its intention to terminate the agreement, which will cease to be in force 12 months from the date of such notice.

The resolution passed by the parliament of Iceland before the recent elections in that country, which called for a revision of the defence agreement, referred specifically to the appropriate article in the agreement, and at the same time reaffirmed the decision and the intention of Iceland to support NATO.

The Canadian government hopes that if a new Icelandic government should decide to ask for a revision of the defence treaty, as envisaged in the resolution of the parliament of Iceland, it will be possible to reach a compromise satisfactory to Iceland and all of the NATO partners.

We cannot know, however, what Iceland's policy will be toward the defence agreement

until the government has actually been formed. I do not think it is desirable at this time that anything further should be said on this matter.

ATOMIC ENERGY

INQUIRY AS TO AMENDMENT OF CANADA-UNITED STATES BILATERAL AGREEMENT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I ask the Minister of Trade and Commerce whether an amendment has been negotiated between Canada and the United States to the atomic energy agreement? It is reported in the press this morning that some change has been made.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I intended to make an announcement today. It is understood between governments that the announcement will be made at 2.30 this afternoon.

On June 18 I advised the house that the government of the United States had proposed that the Canada-United States bilateral agreement on atomic energy should be amended to provide for an exchange of information with respect to the development, design, construction, operation and use of reactors for the propulsion of naval vessels, aircraft and land vehicles. I am now able to advise the house that the amendment has been signed. Copy of the amendment will be tabled in the house in the next few days.

CHEESE

REFERENCE TO PRESS REPORTS OF ALLEGED IMPURITIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, on a question of privilege, during the last week there have appeared some very disagreeable reports in the press regarding impurities to be found in Canadian cheese. I would like to assure hon. members of the house and people elsewhere that cheese from Oxford has neither manure nor mouse hair in it.

PIPE LINES

TRANS-CANADA PIPE LINES—PROSPECTS OF FINANCING WITHOUT EXPORT

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I did not give the Minister of Trade and Commerce any notice, but I do not think he needs any. I should like to know whether there is any foundation in fact for the article which appears on the front page of the *Globe and Mail* that there are enough orders for gas in Canada alone, without the United States, to make the gas pipe line pay?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, Mr. Speaker, all I can say is that orders have been received for quantities of gas which promise to make the pipe-line financeable without recourse to export sales.

[*Later:*]

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, I should like to direct a supplementary question to the Minister of Trade and Commerce. In view of the hopeful statement he has made as to the economic possibilities of the pipe line with respect to Canadian sales alone, is he now considering revising the program of providing government finances for the pipe line?

Mr. Howe (Port Arthur): Well, Mr. Speaker, when I reconsider anything to do with pipeline arrangements we will have another three weeks' debate.

EGGS

INQUIRY AS TO REPORTED IMPORTS FROM POLAND

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I rise on a question of privilege. Yesterday, I asked the Minister of Trade and Commerce regarding the question I put on the order paper on June 1, and the answer he gave was as follows, as reported at page 5435 of *Hansard:*

> Mr. Speaker, I gave a verbal answer to a similar question.

I would like to remind the minister that my question was completely different from the one that was asked by the hon. member for Nicolet-Yamaska (Mr. Boisvert), I think it was, some time early last week. Whenever it is possible for him to do so I would like the minister to answer the question I have put on the order paper.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, since I spoke in the house on this subject yesterday I find that my hon. friend's question is on the order paper. I have spoken to my staff about a prompt answer and I think the answer will be ready within the next day or so.

UNEMPLOYMENT ASSISTANCE

PROVISION FOR FEDERAL CONTRIBUTIONS TO COSTS IN PROVINCES

Hon. Paul Martin (Minister of National Health and Welfare) moved the second reading of Bill No. 436, to authorize contributions

by Canada in respect to unemployment assistance costs in the provinces.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, does the Minister of National Health and Welfare intend to make any further remarks?

Mr. Martin: I had not intended at this time, Mr. Speaker, to say anything in addition to what I said in a preliminary way yesterday and by way of reply to certain questions. However, I shall be very glad to deal with any questions that may be put from time to time.

Mrs. Fairclough: Mr. Speaker, the legislation before us has just been in our hands about an hour or so. As a matter of fact, I think I just received it about 12.30 p.m. today. We have not had too much opportunity to go over it and, of course, the actual bill itself is closely related to and almost dependent upon the agreements. It is merely an implementation of the agreements themselves which are of a rather technical nature. So apart from asking questions on the clauses as they come before us there is really not very much we can do at this time.

I should like to reiterate one statement I made last night, that when the major central provinces are not in this scheme, necessarily a large part of Canada is excluded. Therefore for the minister to say that there is now no excuse for anyone making remarks with reference to the participation of the federal government in unemployment assistance is scarcely true. I asked the minister yesterday for copies of the correspondence with the provinces, particularly of letters from officials of the non-participating provinces. If my memory serves me well the minister said that those had been tabled. I cannot find them; they are not anywhere. The only correspondence that I could find was—

Mr. Martin: Let me explain; I did not understand my hon. friend yesterday. There were no letters from officials tabled, but there were letters from the heads of governments and responsible ministers which were tabled. That is what I thought my hon. friend was referring to.

Mrs. Fairclough: I would be grateful if the minister would tell me when they were tabled. I searched all morning and so far I have been unable to procure them. In the absence of explanations from the premiers or their ministers of the non-participating provinces it is difficult to know just what are the reasons for their failure to participate. I would think that in a debate such as this the reasons put forward by the responsible ministers in those provinces would be vital. As a matter of fact there are a few thoughts which come immediately to my mind without knowing what the provinces may have said on the matter, and the first one is—

Mr. Martin: Would the hon. member permit me to see if I can help her in her presentation at the moment. When we get into committee I could deal with these specific questions. For instance, it is most difficult for me to do this now. The hon. member has asked me about these provinces and I shall be glad to answer when we get into committee. I think I can facilitate the matter.

Mrs. Fairclough: If the minister has the information at hand and can tell us precisely what objections were raised by the non-participating provinces, that would be extremely interesting.

Mr. Martin: I shall be glad to do that.

Mrs. Fairclough: Having had some experience in municipal affairs I know it is unrealistic to expect the provincial or municipal administrations to be responsible for the administration of this assistance. The government of Canada has set up right across Canada its own machinery to handle unemployment insurance benefits and it would seem to me that if the government of Canada intends to do something to assist those persons who are not otherwise covered, either by reason of failure to qualify for unemployment insurance benefits because of being in uninsurable employment or by reason of having made insufficient contributions, if the government intends to go along with some sort of assistance it seems to me it could have gone much further than is indicated here in administering these applications.

It is my opinion that the social security plan set out in what came to be known as the green book, the proposals of 1945, have been practically scuttled by this government in the preparation of the plan which has now more or less been forced down the throats of the participating provinces. The percentage which I mentioned yesterday and other pertinent factors again are set out in the agreements; they are not a part of the bill itself. Because they are part of the agreements, actually the attitude of the respective provinces to the agreements they have made, whether they have signed them willingly or reluctantly, enters very substantially into this particular bill and its enactment.

All of these things, it seems to me, are up in the air. They are matters on which we do not have too much information. I hope that the minister will be in a position to give us

what information is at hand with regard to the specific reactions of the various provinces, when we come to the committee stage of this bill.

Since we discussed this in the resolution stage last evening and since I received the bill today at noon I have given it all the attention I could and I still take issue with the minister's statement that, in making his agreements with the provinces and bringing in this legislation to implement these agreements, the federal government is paying a share of what was formerly relief for unemployables. I take issue with that because I think it is now clearly set forth that the basic platform, if you will, below which the government does not participate still leaves the municipalities and provinces entirely responsible for what would be considered their basic load of ordinary relief. In addition to that, over and above the basic load, the provinces and municipalities are still paying 50 per cent of the cost, and the government is participating only to the extent of 50 per cent. Under these agreements it looks to me—and the minister can correct me if I am wrong—that the provinces and municipalities are also paying for all the administrative costs.

With these remarks I am willing to leave the introduction of this bill until we get to the committee stage, and then we shall try to pick up the rest of it on the clauses.

Mr. Harold E. Winch (Vancouver East): I should like to speak for a few minutes on this bill, which I think we shall all agree is an important one. It was possibly only at ten minutes to five yesterday afternoon that the Minister of National Health and Welfare introduced the resolution preparatory to the introduction of the bill. I listened very carefully to what he had to say and also to his request that, if possible, the members of the various opposition parties refrain from discussing it at the resolution stage but wait until the actual introduction of the bill, when we could then know the bill and be able to discuss it efficiently and with knowledge of what it meant. Possibly at about half past five last night the bill got its first reading. At six o'clock the leader of the house informed us that, after the orders of the day, it would be the first business this afternoon. I just want to say, Mr. Speaker, that I think it is a matter of disrespect and discourtesy to the members of the House of Commons, after meeting the request of the minister, that we members should not have been able to receive this bill and study it until about—as far as I am concerned—a quarter after twelve this afternoon. Time after time I telephoned in an effort to get it, because I am interested in this bill but I did not get it until a quarter after twelve, and it is called for second reading this afternoon.

I mention that matter in particular, Mr. Speaker, because, after reading the bill, I find it is almost impossible to understand its implications without any reference back to the appendix at pages 23, 24, 25, 26, 27, 28, 29 and 30 of *Hansard* under date of January 11. The bill itself cannot be understood in any way whatsoever without reference to the appendix of January 11. Without that reference back to something prior, it is difficult to understand the principles of the bill when you get it only some 2½ hours before the house meets on second reading. Between the time I obtained the bill and now I have been trying to understand it in view of the appendix of January 11. That is all I am going to say about that matter. I think the minister will recall that he himself said it was one of the most important bills introduced. That is the only time before second reading that we have ever seen the bill and been able to refer it back. To be honest, I may say I am told that 100 copies of the bill were ordered before then, but I checked with all hon. members in our party here and found that not one of us had received one.

I want to say this. The bill itself, as we can now read it, understand it and tie it back in with what was placed on *Hansard* on January 11, is certainly a great advance by this federal government as compared with the federal Liberal government's attitude back in the hungry thirties. In those days the federal Liberal government answered, with a police baton, tear gas, riot acts and what I call concentration camps, the pleas of those who had nothing to eat and nowhere to go. I am not going to spend much time on this matter but I may say this. At that time I was a member of a provincial legislature and we were obliged to face the exigencies and problems of the moment. It was my hope that on reading this bill it would be made clear in the bill itself that the problems had been met. From the bill itself that is something you cannot tell. I want to say that it does help if you read the appendix of January 11. But even after so doing I am not yet sure in my own mind that the government has met the problems that can arise. Although it cannot be understood on a second reading of the bill, even tied in with the appendix, it is my hope that the minister in committee will make it clear that all the complexities that arose in what is the prime example, namely the hungry thirties, have been covered by this bill, by the regulations that are going to be made thereunder and by the contracts that have been or will be signed by the provinces.

From experience I can speak only for the province of British Columbia. Despite all the sincerity and integrity of the minister and despite the bill which he is now introducing and which is an advance, I am convinced that he is not going to be able to solve this problem of assistance to the unemployed who are not covered under other acts unless there is—as eventually there must be—an over-all security program on a federal basis. As long as we have a situation whereby an individual is covered under various jurisdictions and various administrations, I am afraid there will always be inefficiency, unnecessary duplication of costs and, unfortunately, those who may be obliged to suffer because they are caught, even after this bill is passed, between the varying governmental and administrative responsibilities. May I say, Mr. Speaker, that I personally am sorry that the minister, in the introduction of this bill, has not given a lead with respect to an over-all security program for the entire Dominion of Canada.

I want to make this as perhaps a first major point. I know the British North America Act and I understand the allocation of jurisdictions and responsibilities as between the federal government and the provincial governments. All municipalities are children of provincial governments. I think it is wrong that, in the introduction of this bill and the principle of it, there is no acceptance by this government of the principle that municipalities are no longer in a position to be responsible financially—and should not be so responsible—for those who are indigent within their boundaries. In discussing the principle of a bill, as I am now doing, I believe the fact that the principle is not included there is something to be regretted by all of us and something which must eventually come about. Under the terms and principle of Bill No. 436, it is completely an agreement between the dominion and provincial authorities without any recognition of the fact that at the present time, as in recent years, with the additional costs of government, the powers of municipalities as far as the collection of moneys is concerned, have not been and cannot be extended. In this, the first time that the government have accepted any responsibility with respect to any government outside of itself, they have not made it clear that it is a responsibility shared between the federal and provincial governments for those who are not covered under the Unemployment Insurance Act which is federal, the Disabled Persons Act which is federal and the provincial acts on mothers' pensions and so forth.

Sir, I have tried to find, in the principle of this bill, just what is going to happen as regards those who have not established a domicile in accordance with provincial regulations. I can say to the minister that I have checked under the act and find that this goes back to the appendix which is found under section 10, subsection (i). I want to speak on this principle because—

Mr. Martin: I can assure my hon. friend there is no residence qualification at all.

Mr. Winch: There is no residence qualification. As I said, it refers back to the appendix. There is no residence responsibility so far as the principle of Bill No. 436 is concerned; that is left to the residence qualifications existing in the province. In British Columbia we have the residence responsibility act. It is my understanding, and I have checked this with the minister's own office, that irrespective of residence it is the intention of the ministry,—I hope he will correct me if I am wrong—that any person in Canada no matter what his residence is, so long as he resides in Canada, if he is not covered by any other act of the province must receive all the benefits of this act.

Mr. Martin: Section 5 of the agreement.

Mr. Winch: That is so, but is it clear? It is not clear to me yet. If a province does not accept complete responsibility of the cost but passes on responsibility to the municipalities, and if a municipality has, as we had in the hungry thirties not one but thousands coming into places like Vancouver, is it clear that they must give the benefits but not at the expense of that city, town or municipality. This is just one of the things I should like to have the minister make very clear because it is important to the municipalities. I can remember back in the hungry thirties when the British Columbia government and the municipalities spent $92 million before they ever got one cent from the federal government.

Now, again speaking strictly on the principle of this bill, I have tried since I got the bill to find out what it means. It is my understanding, if I may refer to the province from which I come, that when the agreement is signed, ·45 per cent of the population must be unemployed before the federal government comes into the picture. I am certain the minister does not mind that I phoned his department this afternoon, and I was informed that at the present time you are taking the population of British Columbia as 1,305,000. On the basis of ·45 per cent, there would have to be somewhere in the neighbourhood of just less than 6,000.

Mr. Martin: It would be 5,872.

Mr. Winch: Yes, just less than 6,000, before the federal government comes into the picture. When the federal government comes into the picture, it is on the figure above that. Let us say it is 6,000 just for a figure, and there are 1,000 who are not covered by anything else. Then the federal government, under this bill, comes into the picture. It is my understanding that then you will take the 7,000, that is the complete 7,000 who are unemployed, average the cost and multiply it by the 1,000, and you are going to accept 50 per cent of the responsibility. This, sir, as part of the principle of the bill, should be further explained by the minister.

It means this. If all those who are unemployed are eligible for any form of assistance, that is unemployment insurance, supplementary benefits, disability pensions, mothers' pensions, old age pensions, those unemployed are not in the picture so far as this bill is concerned. This bill only applies to those who are unemployed because they are unemployable or cannot meet the conditions of any other grant. We are not basing this bill on the principle of the number of unemployed, we are basing it on ·45 per cent of those who are unemployed and who are not covered. In British Columbia this means we have to have over 6,000 unemployed beyond those unemployed eligible for any other benefits before the federal government steps in and accepts any responsibility.

I want to say that, personally, I think much as I welcome this advance, that is unfair. It means, so far as British Columbia is concerned, that unless the proportion of unemployed who are not covered by any of the existing acts reaches ·45 per cent of the present population, which would be about 6,000, this government is accepting no responsibility whatsoever. I think, sir, definitely that the federal government of Canada is responsible to all those who are unemployed irrespective of the reason for which they are unemployed. This principle is not now being accepted, and I am certain of what I saying. I appreciate the fact, and I want to say so, that when you do start accepting responsibility, although you only do it under the principle of this act after you have ·45 per cent of the population unemployed, you will average the entire cost of all the unemployment; but you will only pay for those over ·45 per cent.

I want to give credit to the minister for the advances made. If I am making a mistake in my interpretation and analysis of this he will tell me. This is my understanding of the situation. Perhaps, sir, I have to go back, and I want to, on this matter of responsibility. I have mentioned it before, but I want to speak about it again. This legislation makes an agreement only between the federal and provincial governments. It is up to the provincial governments to decide what they do with their 50 per cent. I imagine that the majority of the provinces, if not all, are going to pass some of it on to the municipalities. I am sorry about that. As I see it, the minister should have worked out something different—I know the problem of the municipalities—under which it was the responsibility of the two governments. Eventually, I think it has to be the responsibility of one government, namely, the federal government, under a national security plan.

I emphasize the fact that this question of people moving from one province to another cannot be handled efficiently without one responsibility. We shall always have a problem, if there is a tri-partite arrangement and administration between the federal government, the provincial governments and the municipalities, especially, sir, when it is my understanding that the interpretation of this bill, when applied to the appendix of January 11, as it relates to people going from one province to another, is not dependent upon any decision or principle of the federal government, but is dependent upon an arrangement between the provinces. I see my hon. friend shaking his head. I can only read the principle of this bill, and on page 28—

Mr. Martin: Would my hon. friend think I was unfair to suggest that these questions, all of which are important, could be dealt with when we get into committee? He could put those questions at that time. I can only say at this time that I can explain that when we get into committee. I do not want to interfere with my hon. friend. I am trying to find a mechanism that will prove as helpful as possible to both of us.

Mr. Winch: In discussing the bill I am trying to raise the points as I see them. The minister can explain the principles in committee but, sir, it very definitely is my reading and understanding of Bill No. 436 that the federal government is prepared to pay 50 per cent of all the costs of transients from one province to another, but that the actual arrangement has to be made as between the provinces. I just cannot read the bill and the appendix of January 11 in any other way. If that interpretation is wrong I certainly hope we shall have an explanation from the minister when we get into committee.

Sir, this is a most important matter. I can assure the house and the minister that we welcome this completely new approach by a Liberal government, and it is a new approach. Previously, they have relied on the

police, the tear gas and the baton. I know; I even tasted them myself. Up until now, even though we have had the problems of the unemployed in all provinces, not by any act could we get anything from the federal government. We had to rely on the provincial governments having some sense of responsibility. The minister now is introducing a bill. We welcome it. We are sorry that it is not a total security bill. We hope he will just go back in his mind's eye and perhaps check on some of his own civil servants, and perhaps check on one of his deputies, who was in British Columbia and who knows the problems, to make sure that when the bill is finally passed in committee, although it will not go as far as we in this group think it should, it will go as far as is humanly possible, with the limited vision of the Liberals, and do the best it can to see that no person who is a Canadian citizen, irrespective of where he is in any province or in any municipality, need not go hungry, unclothed or unsheltered.

Mr. C. E. Johnston (Bow River): I wish to say a few words on the principle of this bill at this time. Like others who have spoken, I found it a little difficult to find the time to go over the bill because—

Mr. Martin: I wonder whether my hon. friend does not think it would be better to have this general discussion in committee where we could all deal with it?

Mr. Johnston (Bow River): I agree with what the minister has said, but the unfortunate part of it is, it only emphasizes what I am about to say, namely, that it was not until about half past twelve—

Mr. Martin: May I explain that. I know the house will believe me when I say I am not habituated to provoking any discourtesy. The house co-operated with me fully last night. I understand that we had placed—not in accordance with custom—100 copies of the bill on the table, and I had assumed they were distributed.

Mr. Diefenbaker: Why?

Mr. Martin: I did that as a matter of courtesy last night. It was not for want—

Mr. Diefenbaker: Why does the minister not adjourn the debate so that the bill could be studied?

Mr. Martin: My hon. friend knows the reason. The hon. member for Hamilton West (Mrs. Fairclough) and the house generally, with whom we discussed this matter, understand the reason. The bill in principle is precisely the same as the agreement, as the hon. member for Hamilton West will indicate. I just want to assure the house that there was no discourtesy.

Mr. Johnston (Bow River): I am not suggesting there was any discourtesy on the part of the minister. I am only pointing out the fact that it was not until half past twelve or a quarter to one that I received my copy of the bill, and it was not in the post office at that time. I had to phone up the clerk of the debates in order to find out where it was. I obtained it from the postmaster myself. Therefore, I say it is a little difficult for us to discuss a bill which we had in our hands only about an hour and a half before the house opened. While I am not putting any particular blame on the minister, the fact remains that that is so.

There are one or two things regarding this bill that I want to speak about. I may say to the minister that, like the other two hon. members who have spoken on this matter today, I am pleased that the minister has seen fit to bring down this bill. I think it is an improvement on what has existed in the past, and everyone in Canada will appreciate that. There are one or two things in particular that should be mentioned at this time. The 45 per cent which the minister referred to in his speech yesterday seems to me to be a little bit unfair.

Mr. Martin: The ·45 per cent.

Mr. Johnston (Bow River): The ·45 per cent, yes. I thought I had said "·45 per cent". It is a little less than one-half of one per cent. It means that in the province of Alberta there must be about 5,000 who would qualify under this legislation before the federal government would step in. That seems to me to be a rather large number, Mr. Speaker, because there are going to be some of the employable unemployed who will come into that figure. There are some who are permanently unemployable because of age or some other disability. All those under the 5,000—I am using the figure for Alberta of approximately 5,000—whether they are unemployable as the result of a shortage of opportunities or jobs are going to be the sole responsibility of the provinces.

There has developed in the last few days a condition wherein a number of people who have exhausted their unemployment benefits have become unemployed. Those people will be among those who will come under this bill. Do I understand the minister to say that is not so?

Mr. Martin: I think we could properly discuss this when we are in committee.

Mr. Johnston (Bow River): In my judgment they will be because it includes not only the unemployables but the employable unemployed as well, and the provincial governments will be asked to carry that load. If that is so, and I assume it is so at this time, then what is happening is that the federal government is evading a responsibility which is entirely its own. I do not think the provinces should have to assume responsibility for any employable unemployed; I think that definitely should be a responsibility coming under the Unemployment Insurance Act.

There is another matter, too, which will cause us difficulty as time goes on. The federal government will make the regulations. It states in the act that the governor in council will be the body to make the regulations. I do not want to discuss the act because this is not the time to do so, but the governor in council will make regulations for the administration of this act and for the purpose of carrying its provisions into effect. No matter what the minister may say about it, the act is clear on that point. This means that the provinces are going to be charged with the responsibility of administration and paying 50 per cent of the costs of carrying out the regulations laid down by this government over which they have little or no control. It is true the provinces may be consulted before the governor in council applies the regulations, but it also means that all the blame for any maladministration or for inefficient payments to meet the requirements will be laid at the door of the provinces and the federal government will slip out from under this very much as it has done in the case of old age pensions. That is not right, to my way of thinking. If the provinces are going to have to accept the responsibility for the administration and pay 50 per cent of the cost of all those over the ·45 per cent then they should be the ones who make the regulations in the main and they should consult with the federal government. Instead of that it will be the other way around; the federal government will lay down the regulations. The provinces will probably be consulted but the provinces must bear the full responsibility that must be carried in connection with this. I do not think it is the responsibility of the provinces.

I am not one of those who look forward to a depression nor am I crying that at this moment; however, we are having a considerable number of lay-offs for one reason or another at this time. I am not suggesting that these people who are laid off are not going to find other employment but the fact of the matter is that this situation does exist at present. It means the provinces are going to accept the responsibility and the blame for all those who are not immediately re-employed or those who do not qualify under the Unemployment Insurance Act for one reason or another. In my judgment that is the responsibility of the federal government and not of the provinces. I think there should be some change in this act in that respect.

There are other parts of the act with which I should like to deal, Mr. Speaker, but I would have to deal with them clause by clause and, of course, this is not an opportune time to do that. Having said what I have already said, I will not go further at this point. I will say again, however, that I think, as others have said, this is a step in the right direction and as time goes on it may be possible to make amendments that will clarify it and put it on a fairer basis, and until we come to the point where we will deal with the bill clause by clause I will stop for the moment.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I just wish to make a brief comment at this time. Like the hon. member for Vancouver East (Mr. Winch) I wish to commend the minister for bringing in this legislation. In doing so he is simply living up to his past record of trying to help people who cannot help themselves. I remember when I brought in a resolution to provide help for the handicapped three years in succession it received splendid support from all quarters of the house. I remember, too, that when our hospitals had great difficulty in getting nurses the Minister of National Health and Welfare came along and suggested nurses' aids.

I expect to hear from some members of the opposition who have been asking the government to assist the municipalities. As the hon. member for Vancouver East has said, this is the first time the government has stepped out to help the municipalities, and it is to be commended. I would like to ask the minister one question. If a provincial government were unable to pay its share of 50 per cent of the cost, would the federal government pay the 50 per cent anyway?

Mr. Martin: Perhaps the hon. member would permit me to suggest what I have suggested to other hon. members who have asked questions. When we get into committee I will be able to deal with these questions and perhaps the hon. member will be glad to forgo his remarks until then.

Mr. McIvor: All right. I think the minister has just told us and the country through this bill that nobody in Canada shall go hungry and there is no reason why anyone should go hungry in Canada. I can remember a time in Fort William when our boys and girls and men and women could not get enough to eat

and yet our elevators were full of wheat, the dairies were full and there were lots of groceries on the shelves in the stores. Despite this fact our people could not get enough to eat and they had to go on relief and do the things that were necessary in order to get the necessities of life. Without saying anything further I commend the minister for bringing in this bill because I know it will be of some help. It may not go all the way but it will go a long way toward providing a solution and I thank the minister for it.

Mr. W. G. Blair (Lanark): Mr. Speaker, like other hon. members, I received this bill at noon and although I have tried to interpret it since I find the bill confusing and difficult of interpretation. When this bill is in committee possibly I shall have some questions to ask of the minister explanatory of some of these clauses.

Mr. Martin: Yes.

Mr. Blair: The hon. member for Hamilton West (Mrs. Fairclough) made the statement that the government of Canada scuttled the proposals of 1945 in relation to the dominion-provincial conference on reconstruction. I happen to have this report in my hand and I think it would be interesting to read a part of it into the record. On page 42 of the proposals of the government of Canada of August 1945 there is a chapter concerning the necessary requirements of the dominion scheme for unemployment insurance and section (d), which is particularly interesting, reads as follows:

> (d) The plan proposes acceptance of dominion responsibility for unemployed employables, and provincial and local responsibility for unemployables, but it is recognized that this division presents problems of definition in some individual cases, and that in operating practice the only final test of employability is ability to get and hold a job.

Last night I brought before the committee and asked the minister a question concerning the situation of people 40 years of age who are unable to get a job. Those I submit are employables; they are not unemployables because of their age, they are employables. If, as the hon. member for Hamilton West (Mrs. Fairclough) has said, the dominion has scuttled the plans of 1945, the proposals of that year clearly set forth the division of authority because it was said that the plan proposes the acceptance of dominion responsibility for unemployed employables.

They are not part of this legislation and I should like to have an explanation by the minister, especially when we get into committee, as to where the dividing line should be. There are certain people who are under disability pensions at the present time and who are not unemployables. In looking at the proposals of 1945 I see it was said that the only final test of employability is the ability to get and hold a job. There are many people with slight disabilities which make it difficult for them to hold a job. Will they be considered as unemployables under this legislation? I would like the minister to give us a full explanation when we are in committee in connection with these people who are unemployable. I use that term because I submit that they cannot get a job. I repeat, the only test of employability is the ability to get and to hold a job. They cannot get jobs and they are precluded from employment for that reason. Will this bill cover those people? The minister said last night that this matter would be taken care of by the bill and I should like to know how the minister intends to deal with them.

Mr. John B. Hamilton (York West): Mr. Speaker, I have heard reference made to the fact that this is the first time that recognition has been given by the government to the plight of the municipalities, but I cannot go along with any feeling that this constitutes a substantial contribution toward a solution of the problem with which they are faced. Certainly in the province of Ontario there is not a municipality which is financially in a position to take care of one unemployed person if it is going to carry out its true role of providing essential services such as the provision of sewers, water mains, education and items of that kind for a rapidly expanding economy. I cannot see any indication in this bill that the municipalities will be spared this burden. I note in clause 2(d), the interpretation section, that reference is made to the cost to municipalities. It is referred to again in clause 4(c).

It is obvious that, no matter what the contribution by this government may be, the load is going to be too heavy for the municipality. I think we are putting the cart before the horse. It seems to me it is time that we divided up the taxation field once and for all as well as the responsibility for the collection of taxes and the responsibility for the spending of those taxes in order to provide certain services. If we do that, then I think we will find a great deal more reluctance on the part of certain taxing authorities to collect every cent they can get and then hide behind some other authority in so far as the administration of particular legislation is concerned.

Reference was made a short time ago to the fact that there is no doubt about who is going to be blamed. If this system is to be called upon to any great extent the municipality is going to be the level of government

which will have to deal with the administration of the act. If it does not work satisfactorily the municipality will have to take the responsibility. The municipality now collects taxes from real estate and I am quite sure that houses are not going to be out of work. It will be the home owners and other people in the country and it seems to me that the administration should be the responsibility of and be tied in with the people who in fact collect the taxes which are eventually to be used for this purpose.

I do not think I can emphasize too strongly the fact that we have gone too far along the road of permitting the municipality to be put in the position where if there is any tightening at all of the expansion that is taking place in this country it is going to be bankrupt just as it was in the 1930's. If there is any responsibility for that condition it will belong right here in this house.

The attitude of the government in connection with the plight of the municipalities reminds me of the story of a man who had bought a burro. A friend admired it very much and he finally said, "You have a lot of children, you take it and use it, but always be kind to it, be good to it or it won't do things for you." The friend took it home and put one of his children on it and it would not move. He gave it sugar, he patted it, but nothing happened. So he phoned his friend and told him that he could not get the burro to do anything and the friend said he would come right over. He came over and he said, "Give me a piece of two by four." He then hit the burro right between the eyes. His friend said, "Oh, but you said to be kind to it." He said, "Yes, but first you must get his attention."

I submit that as far as the municipalities are concerned we are not going to get any help for them unless we keep on hammering away here day after day. If I were asked for a formula as to what should be done I would repeat: Let us divide the taxation field; let this government collect the money to do those things for which it is responsible; let the province collect the money to do those things for which it is responsible, and let the municipality collect the real property taxes to enable it to provide those services for which it is responsible. If we do that then once and for all we will get away from this type of piecemeal legislation, and that is all I can say it is.

Mr. Martin: Mr. Speaker, perhaps I could just say—

Mr. Deputy Speaker: If the hon. minister speaks now he will close the debate.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, before the minister concludes the debate I should like to say a word or two in connection with this bill. I am rather surprised at the way in which the minister has introduced this legislation into the house. This is a matter of great importance and it deserves a great deal of study. The bill itself is complicated and when the agreements tabled in the house on January 11 are read over you find that there are still more complications; yet the minister is in a hurry to get this through. At the resolution stage he suggested that discussion might be postponed until we had the bill in front of us. Now that we have the bill in front of us the minister wants us to postpone discussion until we are in committee.

Mr. Martin: I am sure the hon. member for Hamilton West (Mrs. Fairclough) could explain to my hon. friend the reason why. I would not want to mention the reason publicly as it does not concern me personally.

Mr. Churchill: The minister must accept full responsibility for anything in the way of legislation under his own department. He may have all sorts of reasons for haste in this matter, but this is a serious public undertaking, and I think the minister, who has been years in office, should be fully competent at the present time to carry on anything of this nature. If he is overly dependent upon other people, that is no concern of mine. The minister is the person to whom we look to support legislation that he brings forward, and I suggest this is not the proper method to use. Why did the minister not bring this forward in April or at some earlier date? Why was it postponed to the end of June?

Mr. Pickersgill: Why not debate it now that it is before the house?

Mr. Churchill: The Minister of Citizenship and Immigration is interrupting again. I suggest to my hon. friend that he might very well pay attention to his own department and, if he has anything to contribute in this instance, he might perhaps rise at this stage and enter into debate rather than make his interjections. I am encouraged by the remarks of the Minister of Citizenship and Immigration. I shall pursue my point that this is not the way in which to bring before this house legislation of this nature, trying to get us to pass it quickly, for some reason that the minister has in mind. I suppose that when we get to the committee stage later on today the minister will want us to hurry on to third reading so that that will be got rid of, and then, of course, the bill will be passed and sent over to the other

house and within a minute it will be declared the law of the land. Why this hurry?

Another mistake I think the minister has made is that at the resolution stage, in connection with a matter such as this, the discussion should have been much more extensive. I think that is where a mistake was made with regard to this particular bill. The minister, in answer to questions on the orders of the day, frequently makes longer statements than he made on introducing this resolution. Why did he not refer the house to the papers that were filed here on January 11 and the draft agreements that are outlined there? Why did he not draw our attention to that, instead of simply saying that they had been tabled, without any reference to the date or where they might be found? That is a rather strange procedure coming from this particular minister, who generally—

Mr. Martin: Don't be too hard on the poor minister.

Mr. Churchill: I do not see any reason why I should spare the minister. He does not spare us on occasion. Why should I spare him now? My hon. friend who has just come in suggests that the minister does not know anything about this legislation.

Mr. Martin: Let us get into committee and then put all the questions you want and test his knowledge.

Mr. Churchill: The minister suggests that we should get into committee and all the questions will be answered. Why were they not answered at the resolution stage? I noted at the resolution stage that the hon. member for Cape Breton South (Mr. Gillis) put forward very proper suggestions in the hope that, if they were acceptable, the bill might be altered accordingly. That is what the resolution stage is for. Matters are brought forward then which might have been overlooked in the drafting of the legislation and might subsequently be incorporated, but at the resolution stage we hurried along with that, and the bill was presented this morning, and very few people had time to do more than glance at it.

We have waited a long time in this country for an act of this nature. Its purpose is good. It is aimed to fill in the gap, with regard to people in need, that has not been adequately filled in during all these years. All of us are aware of the burden that has been placed upon municipalities chiefly and upon the provinces with regard to this type of assistance for people who are unemployed and have no recourse under those circumstances.

This bill is aimed at correcting that particular difficulty, but, as the hon. member for Hamilton West has pointed out, there is a floor placed under this. The assistance is not forthcoming until certain factors of unemployment are established, and it may well be that the bill is not going far enough in dealing with the question that it sets out to solve. Again, at the resolution stage, if this information had been placed before us it would have been very helpful. The minister has not given us any information as to the differences between the agreements with the provinces who have already signed; nor has he indicated any of the difficulties that are holding up acceptance of this proposal by other provinces; nor has he told us anything about the anticipated cost. Yet he is asking us to put through legislation here which leaves us in a state of indefiniteness as to the financial burden involved, and it is our job in this house to examine the financial burden. It may well be that that is not going to be excessive under present conditions in Canada. I think all of us are anxious to assist those in need in the country, but nevertheless the financial obligation under this legislation has to be examined and understood and fitted into the general picture. Why did the minister not give us some information along that line? Is the same thing to happen in the committee stage?

Mr. Martin: No. My hon. friend will appreciate that that figure could not possibly be given, because no one can tell what rates will be set by the provinces, who will be the only ones to set the rates.

Mr. Churchill: There is a point in question. At the resolution stage, if the minister had painted in the background and given us the figures that have been paid out under unemployment assistance by municipalities and the provinces, then we would have had one sort of yardstick to go on for a 50 per cent contribution by the dominion government. That is the type of information that should be presented to this house to fill in the background. Then we would have some idea of what the problem was. It is all in a state of indefiniteness now.

I cannot for one minute believe—I believe the minister's statement, but I cannot believe —that there has not been somewhere in his department a calculation of the amount of money involved in putting forward an unemployment assistance proposal such as this. That, it seems to me, is basic to the problem. In other words, the need must have been established over the years, and it was referred to back in 1945. That need would be expressed in terms of dollars, and on the basis of that need you gradually reach the stage

now where you determine whether or not the dominion government can assist financially to provide for that need now being met by municipalities and provinces. But none of that information was forthcoming. So we are left in a state of indefiniteness with regard to this measure. I hope the minister will not think it amiss that I have offered some criticism of his method of introducing legislation. It may serve as a guide to him for anything he wants to bring forward in the future. The committee stage is being looked forward to with great eagerness. We expect there to have a comprehensive statement from the minister with regard to this measure.

Mr. Deputy Speaker: If the minister speaks now he will conclude the debate.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, in closing this debate I simply want to say this to my hon. friend so that he will not be under any misapprehension. There is no limit on the time that he or anyone else can take on this measure. I am sure the minister will be able to handle himself just as he has, moderately well, in the past been able to deal with questions submitted by my very enlightened and honourable friend who has just spoken. I would not want to pit my talents against his but I want to assure him that he need have no particular concern in that regard.

Mr. Churchill: You are clearer on this matter than you were on civil defence, are you?

Mr. Martin: Yes. I well remember that occasion. I think my hon. friend and I will agree that on that occasion, helpful and constructive as he was, he was not overly knowledgeable in all aspects of that question himself.

With regard to the question raised at the outset by my hon. friend, namely the question of anticipated costs, may I say this to him. If he will look at the agreement which was tabled on the first day of this session and which is the same as the bill in principle, he will see that it is not possible to anticipate the cost unless one knew first of all the number of people involved and, second, the rates of assistance which the municipalities or the provinces, separately or conjointly, were prepared to provide for the beneficiaries. Under this measure the federal government is committing itself for not more than 50 per cent.

My hon. friend has seemingly criticized, as have some other hon. gentlemen—and this is an understandable criticism—the fact that there is going to be a hard core problem which will be looked after by the municipalities and the provinces themselves before the federal government begins to assist. I thought the hon. member for Hamilton West (Mrs. Fairclough) had satisfactorily disposed of that matter herself, but I suppose hon. gentlemen have not had an opportunity of reading what she said.

What are the facts? This particular measure will authorize the federal government to pay out of the consolidated fund moneys in a sharing program with the provinces in order to assist two groups of people, namely unemployed employables, and those unemployed individuals who cannot work. What this bill does is to remove completely, in so far as the six provinces are concerned, the traditional distinction between those who are capable of working and are out of work and those who are out of work and cannot work for physical reasons or otherwise. That is the main feature of this bill and it is one that has won commendation from the hon. member for Cape Breton South (Mr. Gillis) who spoke last night and who has obviously given this matter a great deal of thought, as has the hon. member for Hamilton West.

I may say this with regard to what was said by the hon. member for Vancouver East (Mr. Winch), who spoke with special emphasis on British Columbia. British Columbia is a good example of the situation. At the present time in the province of British Columbia there are about 20,000 individuals who are out of work—that is a rough figure, according to the latest figures available—and roughly about 5,000 of those are unemployed employables. Under this measure we will be taking care of three-quarters of that group. But for this measure the federal government would not have any authority whatsoever to assist this larger group.

Mrs. Fairclough: Will the minister permit me to ask a question?

Mr. Martin: Yes.

Mrs. Fairclough: Would you repeat what you just said as to the percentage that you are now to be able to assist?

Mr. Martin: Yes. I was using rough estimated figures on the unemployment situation to date in British Columbia. I am going to take each province just in order to show the picture. In the case of British Columbia we estimate roughly 20,000 are unemployed but 5,000 of these are unemployed employables. The others are part of the hard core problem about which my hon. friend spoke last night. They are individuals who are deemed by the welfare authorities of the province to be incapable of work. But for this measure we would not be in a position, under our declared policies or under any legislation, to give assistance to those people.

Mr. Diefenbaker: Do you mean constitutionally?

Mr. Martin: No, no. I said as a result of declared policy.

Mr. Diefenbaker: Oh, declared policy.

An hon. Member: Liberal policy.

Mr. Martin: In 1945 proposals were made by the federal government. From what the hon. member for Vancouver East has just read, it is clear that it was never agreed that we should assume 100 per cent responsibility for the unemployed employables. Indeed, the Leader of the Opposition (Mr. Drew) himself, in the references that will be found in the submission to that conference at page 247, clearly indicated that the federal government was not assuming 100 per cent responsibility for the unemployed employables. As is found at that page he said this:

> Under these definitions a large proportion of the cost of unemployment assistance to persons actually employable would fall on the provinces and municipalities.

As the hon. member for Cape Breton South said last night, it is clear that the 1945 proposals do not provide as generous a contribution as is envisaged in this legislation because it was to operate for a limited period. To the extent to which we were prepared to assist the unemployed employables, that was only to run for two years.

Mrs. Fairclough: Until the Unemployment Insurance Act became operative.

Mr. Martin: Yes; and it was to be 85 per cent of the benefits provided under the Unemployment Insurance Act, which percentage was increased in 1952, as my friend the hon. member for Hamilton West knows, to 100 per cent. So what we are doing in this bill is to wipe out—once we reach the threshold, ·45 per cent—the distinction, I hope for all time, between the unemployed employables and those who are unemployed and who cannot work. That is a great step, as any social worker in this country knows, and as the hon. member for Cape Breton South so well said last night.

Is it fair to ask that there should be a threshold? Under our constitution we have municipal governments, provincial governments and a federal government. Each has its responsibilities. On the basis of figures available, for instance, on June 1, 1955, in Newfoundland the number of individuals remaining as 100 per cent provincial responsibilities because of the ·45 per cent threshold was 1,854 out of a population of 412,000. That includes unemployed employables and unemployables. Having in mind the character of this confederation of ours, will any hon. member in this house deny that there is on the municipalities and on the provinces a responsibility to look after a certain group, up to a certain figure, of their own people? At one time that was done by the family, by the church and later by government, but it certainly is not asking too much that the province of Newfoundland and its municipalities should look after that number of people. Whenever it reaches beyond that, under this measure, the federal government will enter the picture.

In Prince Edward Island the number is 486; in Nova Scotia, 3,073; New Brunswick, 2,511; Quebec, 20,240.

Mr. Diefenbaker: Does this include not only the unemployed employables but also those who, through disability, are incapable of performing work?

Mr. Martin: Both. The figure for Ontario is 23,323. The province of Ontario with over 5 million people is one of the wealthiest provinces in Canada. Is there any hon. member in this house who will suggest that the federal government should be expected to provide assistance for that number and that it represents a load too heavy to be borne by the provincial government? I am not suggesting this by way of criticism. I am simply expressing this by way of exposing the fallacy of the argument offered by the hon. member for Vancouver East (Mr. Winch).

Mrs. Fairclough: May I ask the minister a question? These are the June figures, but you do not have the January figures, do you?

Mr. Martin: These are based on the June 1, 1955 estimate of the dominion bureau of statistics. The figure for Manitoba is 3,820; Saskatchewan, 4,000. I may say that the record of the conference will show that the province of Saskatchewan was amongst those who emphasized the importance of both municipalities and provinces not only having complete control of the administration of this matter, but they said they did not think we should tell them that they should assume full responsibility for all without exacting a contribution from the municipalities; if we did so, we would be creating for them and for us great difficulties. I think that is obvious. The figure for Alberta is 4,797 and for British Columbia 5,872. I think, therefore, no one will seriously contest that there is a point where, having in mind the proximity of the people in the particular context I am speaking of to the provinces and municipalities, the latter should have a responsibility up to a point, exclusively. Then, when that becomes

abnormal, the federal government should intervene for the purpose of making a contribution at least.

We have intervened with the result that this formula will work once the assisted population of a province reaches ·45 per cent of the total population of that province. We will then share 50 per cent, on a basis to be determined, not by us even consultatively but by the provinces and the municipalities themselves. I do not know of anything that is more generous than that. I do not know of anything that is equal to it anywhere else. The hon. member for Hamilton West (Mrs. Fairclough), or was it someone else, suggested that we should look after the administration of some phase of this question. She acknowledges she did. I doubt that any province would agree to that, and no province I think should ask that that be done nor should we accede to it because it would be impossible for the federal government to administer, particularly for that portion of the unemployed who are not capable of working. Those are the people whose circumstances are known by the welfare inspectors on the local level. It would not be possible, I believe, in a large state like ours, to embark upon a policy of centralization without doing great harm to the welfare of the individuals concerned.

Now, I will admit that there might be an argument with regard to the unemployed employables because of our having assumed responsibility for unemployment insurance. But there again I would think a different kind of situation prevails because if you want to add to the economic costs all you have to do is centralize your administration in respect of a small number of people. Let us remember that this whole act is operating at a time when we have the highest level of employment in our country. None of us wants to see a decrease in the present high level of employment.

I do not think one needs to spend any more time at this stage except to say this. At the time the 1945 proposals were embarked on, we had only five years' experience with unemployment insurance. We now have that operative to the extent where its coverage has exceeded even the fondest dreams of those who advocated the measure and were responsible for its enactment in 1940. In addition to that we have supplementary benefits now representing 100 per cent of the value during the period of benefit of the unemployment insurance provisions themselves. These supplementary benefits cover, in the peak season in most recent years, almost 150,000 Canadian workers. Now, that represents a tremendous measure of public assistance. On top of that we now have the disability pension; on top of that we now have an old age security program as a result of which 880,000 people of this country at age 70 and over, every month, are receiving without a means test assistance from the taxpayers of Canada. Through policies recommended by this parliament and this government, there is also the old age assistance program and the blindness allowance program. All these are measures which are very important and integral in the discussion that is before us.

I do not believe, therefore, I was in error last night in closing when I said that these measures, together with the proposal for hospital insurance, round out to a very complete degree a measure of responsible social welfare action in this country of which all of us in Canada can be proud.

Mr. Diefenbaker: Does the minister mean by that statement that this is the last one for this government?

Mr. Martin: No, my hon. friend did not hear what I said. I said that this government, by this particular measure, as well as the proposal for hospital insurance, has given an indication that it is the only group that will ever be in power able to do these very things.

Mr. Bell: May I ask the minister a question relating to the figures?

Mr. Martin: In committee.

Mr. Bell: Could he give those on a per capita basis, either now or in committee?

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Short title.*

The Chairman: Shall this clause carry?

Mrs. Fairclough: No, Mr. Chairman. We were very happy to co-operate with the minister last evening and again today in trying to get this bill through the house for the reasons which he explained to us. But I would think if the minister wants to get this bill through the house, he jolly well had better quit making political speeches.

Mr. Pickersgill: It is only the opposition who can do that.

An hon. Member: More threats of obstruction.

Mrs. Fairclough: Talk about biting the hand that feeds you! We have gone along with this and we have purposely refrained from dragging out the discussion on the bill which, as has already been said—

Mr. Dickey: Why drag it out?

Mr. Lennard: You are doing the dragging over there every time you interrupt.

Mr. Dickey: Drag him out somewhere.

Mrs. Fairclough: As has already been said, it is very difficult to understand information which was not in our hands until noon today. After obtaining the co-operation of this house, the minister believed that he could cram this down our throats in a very short space of time. I might say, the resolution was on the order paper on April 25. Since the minister knew the plans of the officials of his department I do not know why he could not have brought this bill down some time earlier than this. I would not have spoken in this vein, Mr. Chairman, had it not been for the smart Aleck interjection of the minister at the last minute. I think his attitude in that respect leaves much to be desired.

The Chairman: Shall clause 1 carry?

Mrs. Fairclough: No.

Mr. Bell: Can the minister answer the question I asked with respect to the per capita percentage of the figures he gave?

Mr. Martin: I shall have to get that information.

The Chairman: Shall clause 1 carry?

Mr. Churchill: Mr. Chairman, when we are on clause 1 matters of general interest might well be taken up. I want to give the minister an opportunity to make another political speech. Encouraged by what I said here he extended his remarks on second reading. At this stage, can the minister give us a little bit of the background I was talking about? He did give us the figures for the provinces, and he is going to elaborate on that. How was the figure of ·45 arrived at as setting the floor? Can the minister tell us something of the burden of this type of unemployment assistance that has been on the provinces all those years? I suggested a few minutes ago that information of that nature must have been in the hands of the department before anything could be arrived at with regard to setting the figure of ·45, or setting the figure of financial contribution of 50 per cent. At the committee stage I thought the minister was going to tell us something along that line. This is his opportunity.

Mr. Martin: I want to say simply to the hon. member for Hamilton West I do not want her to feel that she did not have the right to say what she wanted to say. I would ask her to bear with me. What I said was in reply to a question. That is why I had to say what I did say.

[Mr. Dickey.]

Mr. Sinclair: You said it very well, too.

Mr. Martin: I am saying that because I would not want to break faith with the hon. member for Hamilton West who is always very courteous and co-operative in these matters. I would be the most unhappy man in the world if I thought I in any way offended her.

Mrs. Fairclough: Mr. Chairman, if I might say so, the minister misses the whole point. There are a great many arguments we could bring to bear on this; there are many fields we could explore in the consideration of this bill. When the minister makes a provocative statement and when we are hampered by such procedure it is a little frustrating.

Mr. Sinclair: It was an accurate statement.

Mrs. Fairclough: There you go again. Do you want to discuss this next week?

Mr. Dickey: Political speeches are supposed to be made only by the opposition.

Mr. Martin: If I could pour oil on the troubled waters—

Mr. Lennard: You had better get the minister to keep quiet over there.

Mr. Martin: —the figure of ·45 was arrived at because it represented the figure at which it would be possible to provide for federal participation in all the provinces but one. At first we had in mind and had discussed with the provinces the figure of 1 per cent. My hon. friend will recall that the premier of British Columbia, who was among those who proposed some measure of federal assistance in the past year, along with others, had suggested that he was prepared to accept this as a possible basis. When we came to examine the figure of 1 per cent as the starting point for federal participation it became clear that the provinces of Ontario and Nova Scotia would not benefit from the measure in a substantial way. As a result of the discussion with the provinces it was agreed that we would for nine of them arrive at the figure of ·45 per cent, which enabled us to cover Ontario. Nova Scotia was recognized by all of the provinces as having a special situation. If the figures of ·45 were to apply to them, under the information that we had available to us, we would have been penalizing that province more than any other province. Therefore, we made the proposal to them which we are now considering, that instead of beginning in the case of Nova Scotia at ·45 we would begin with them in the first year at ·30; in the second year, at ·35; in the third year, at ·40; and in the fourth year at ·45. This was agreed to by all of the provinces. Everyone recognized that Nova Scotia had a special case and therefore the figure of ·45

represents, excepting in the case of Nova Scotia, that proportion of the unemployed population of each province, made up of those who are capable of working and those who, for physical or other reasons, cannot.

Mr. Johnston (Bow River): May I ask the minister this question with regard to ·45. Is it clear that the federal government will not begin to participate until that figure has been reached, and that they will participate only when the figure gets above ·45; that is, they will not start from the bottom and go up, they will come in only when the figure is in excess of ·45?

Mr. Martin: Once the assisted population of a province with which we have an agreement is ·45 of the population of that province we start to participate.

Mr. Johnston (Bow River): In the excess of the ·45?

Mr. Martin: Yes.

Mr. Winch: Am I correct in what I said this afternoon, that the minister's idea of ·45 of unemployment is outside of any possible coverage of any act of the provinces or the dominion, unemployment insurance, old age pensions and mothers' allowances? The ·45 starts outside of that? Am I correct in that interpretation?

Mr. Martin: Except any additional assistance payments as provided in clause 9 of this agreement.

Mr. Winch: Except any—

Mr. Martin: Additional assistance payments and family allowances.

Mr. Winch: The ·45 is outside of all regular assistance. Then, you accept no basic responsibility for anybody else until unemployment is beyond ·45?

Mr. Martin: Yes.

Mr. Winch: That is also correct?

Mr. Martin: Yes.

Mr. Winch: I want to get this clear if I can. It is also clear, then, that if in British Columbia, as an example, the figure is around 6,000 as the normal, and if it hits around 7,000, under your interpretation, you average the entire cost of the 7,000 and you pay only on the 1,000?

Mr. Martin: That is right.

Mr. Winch: Is that correct?

Mr. Martin: That is right.

The Chairman: Shall the clause carry?

Mr. Churchill: No. Just on that basis of ·45 and relating it to the figures the minister gave, if all the provinces were in under this scheme and the legislation were passed, what number of people would benefit from it? Has the minister those figures?

Mr. Martin: Well, that question cannot be completely answered, but on the basis of the figures of July 1, 1955, which would be the earliest month for the retroactive effect of the agreement now concluded, in the case of Newfoundland, the total assisted would be about 16,000; and in the case of British Columbia, 20,000. I have not before me the figures for the other provinces.

One of the difficulties here is that the only two provinces that have submitted claims to us as yet are the provinces of Newfoundland and British Columbia. Once this measure is passed we would be able on the basis of the claims to reimburse the province of British Columbia to date in the amount of approximately $1,300,000 or $1,400,000, and we would be able to reimburse the province of Newfoundland in the amount of approximately $720,000. I cannot say what the figures are for the other provinces because we have not yet received their claims. Some of the provinces do not have the complete reporting system they had at one time and which, I suppose, has fallen into disuse.

All I can say is that the only provinces which have submitted claims to us at the moment are those two provinces. We have asked the others to get them in, because once this legislation is passed we will be able to pay them whatever amount is owing; but we cannot do so until they put in their claims. On the basis of those figures it should be possible to make an estimate, but I would have to estimate very roughly. Eight million dollars is an extremely rough estimate of the probable annual federal cost because we have not received their claims.

Mr. Barnett: May I ask the minister one or two questions in relation to the figures he has given? First of all, do the figures the minister has given—20,000 for British Columbia and I cannot recall what figure was given for the province of Newfoundland—represent the number of people for whom the federal government would pay 50 per cent of the cost, or do those figures represent the total number of people in the provinces who are unemployed?

Mr. Martin: They represent the total number of needy persons, either employable or unemployable; including dependents.

Mr. Barnett: In the case of British Columbia, then, the number of people for whose claims the federal government would pay part of the cost would be roughly—

Mr. Martin: In the case of Newfoundland, in the month of February, 1955, for instance, we would share in assistance for 18,115 people. In the case of British Columbia it is 13,449 out of 20,000.

Mr. Barnett: Mr. Chairman, I was wondering further whether the minister has a breakdown as to what would be the average payment per person for the provinces of Newfoundland and British Columbia respectively?

Mr. Martin: Well, the average payment in British Columbia would be around $30. In the month of January it would be $32.02 and in December $31.01. That is the average cost per person to be shared by the province and the municipality or by one of those two and the federal government.

Mr. Barnett: How does that compare with the figure for Newfoundland?

Mr. Martin: My hon. friend knows, of course, that it is the province which fixes the rate, and consequently we have nothing to do with that. In the case of Newfoundland in the month of July, let us say, the average cost per person would be $11. It is a little higher in February, $11.21.

Mr. Winch: Mr. Chairman, I am somewhat hesitant about asking this question but I think it is one that has to be asked and I shall do so. As I understand this act it will now be possible, once it has been given royal assent, for those who are presently under the Disabled Persons Act to be brought under this act. As a matter of fact I think many who have been turned down under the Disabled Persons Act can now be brought under this act, but I also think the majority of those who are now drawing a disability pension are also eligible under this act. Would the minister explain what the situation will be under the two acts? As near as I can figure it out all those who are now under the Disabled Persons Act will be eligible under this act. That is my interpretation, and I would like to hear from the minister on that matter.

Mr. Martin: One or the other, but not both. In actual practice it would be wrong for a province or municipality to take a person who was properly in receipt of a disability pension and transfer him to this particular list. It is just as wrong as it would be to take a person who is in receipt of mother's allowance and put her on this list, as has been done; but the effect would be the same because it is a sharing program, assuming the monthly amount is the same.

Mr. Winch: Is the monthly pension exactly the same?

Mr. Martin: That is a matter to be determined by each province.

Mr. Winch: That is up to each province. In other words, if under the authority of this act which has an unlimited ceiling a province wants to give an allowance which is greater than under the Disabled Persons Act, the province could transfer the entire number of disability pensions to this act and it will be recognized by this government?

Mr. Martin: If it is greater, that is right.

Mr. Winch: If any province wants to give a greater allowance under this act than under the Disabled Persons Act you pay 50 per cent under this act; is that right?

Mr. Martin: My hon. friend has taken a hypothetical case. A case that is properly under disability allowance should be paid under disability allowance. If the amount is less, obviously there will be no trouble; but as the rate is fixed by the provinces and as we are subordinate to it my hon. friend states the situation correctly.

Mr. Winch: Thank you.

Mr. Knight: Mr. Chairman, I can foresee some difficulty arising out of the act because of its lack of universality. As I understand it there are four provinces—

Mr. Martin: No, six.

Mr. Knight: Six in and four out. In the case of transients or people who drift from one province to another—if people come, for instance, from Alberta to British Columbia—what is the situation? I take it these people will only be recognized if they come from a province which has signed the agreement with the federal government. What is the method by which these people can be checked or identified? When do they become eligible in their new residence?

Mr. Martin: If my hon. friend will look at section 5 of the agreement he will find there are no residence qualifications. In this particular matter we have taken the position that as this is a bill to help people in need it is a mistake to insist that they should have a residence qualification. My hon. friend is quite right. This must operate, of course, only in those provinces with which we have agreements. We have not yet succeeded in obtaining an agreement with the province of Alberta. I am very hopeful that we will do so, but the reason we have not is that the government of that province feels there should be a residence qualification. We have had to take the position that in our judgment, having in mind the particular character of this legislation, that is not a fair thing to do;

but as far as the participating provinces are concerned there will be complete reciprocity.

Mr. Johnston (Bow River): Mr. Chairman, there are two questions I would like to ask the minister, and one is with regard to the ·45 per cent. I believe he stated that in British Columbia there were about 20,000 who are eligible under this section. Can he tell us what percentage of that 20,000 are unemployed employables who would ordinarily come under the Unemployment Insurance Act if their benefits were taken care of?

Mr. Martin: About 2,000 of that figure were employable.

Mr. Johnston (Bow River): That means the province will be required to pay 50 per cent for those 2,000 persons, because the Unemployment Insurance Act has not sufficient coverage to take care of them?

Mr. Martin: My hon. friend could argue that and I could not quarrel with him, but I think the fair thing to say would be that the federal government as a result of this measure will now be undertaking to pay 50 per cent of the cost of a group for which up to this time no one has accepted responsibility.

Mr. Johnston (Bow River): That brings up the point I mentioned a while ago. I do not want to be too critical of the bill because I think it is very good, but it seems to me that the federal government is evading its responsibility. Here is a case in British Columbia where 2,000 people should be receiving benefit from a fund to which they themselves have contributed, but because the federal government has not assumed responsibility and amended the Unemployment Insurance Act to provide for them they are now being shifted over to the province and the province not only is going to have to assume the burden of paying 50 per cent of their maintenance—I was going to call it relief, because that is exactly what it is—but the federal government also very nicely slips out of its responsibility in regard to these employable unemployed and places the whole blame on the province for that result. I think that is one thing that should not take place.

I am not saying that those who are not receiving proper payments under the Unemployment Insurance Act should be deprived of assistance, but I am saying that the blame should be placed exactly where it belongs, and that is on the Unemployment Insurance Act and the federal government. The federal government should not be allowed to slip out from under its responsibility.

The other question I wanted to ask was in regard to the length of residence. I recognize immediately that this would apply only to those provinces which are under agreement. Alberta has not signed, but assuming that Saskatchewan has signed and a person moved from Alberta to Saskatchewan, would he thus be deprived of any benefits?

Mr. Martin: The hon. member is asking about a person who moves from Alberta to Saskatchewan?

Mr. Johnston (Bow River): Yes.

Mr. Martin: As Alberta has not signed, obviously Saskatchewan is not obliged to pay.

Mr. Johnston (Bow River): Surely there should be some residence qualification. If a person moves into Saskatchewan he should come under the legislation after a certain length of time. Is there no provision made for that?

Mr. Martin: That is a matter entirely for the province of Saskatchewan. The governing factor there is the attitude taken by the government of Alberta. I am not saying that critically, because I have every reason to think we are going to—

Mr. Johnston (Bow River): The whole responsibility would rest with the province of Saskatchewan as to the making of residence qualifications if they so desired, and that would be agreeable to the federal government?

Mrs. Fairclough: Mr. Chairman, the question I wanted to ask was somewhat along the lines of that asked by the hon. member for Bow River. The minister has said on three different occasions that there is no residence requirement, but the word "if" in here looks pretty big. The agreement reads:

> 5. Length of residence shall not be made a condition for the receipt of assistance if
>
> (a) the applicant has come from a province whose government has entered into an agreement similar to this respecting unemployment assistance, and
>
> (b) such agreement includes a like clause as herein contained in respect of length of residence not being a condition for receipt of assistance.

That would cover, as the hon. member for Bow River points out, the province concerned if there was no agreement. But take the case where someone from Alberta moves into Saskatchewan and applies for assistance. The normal procedure followed in cases where a person from another province finds himself unable to support himself and applies to a municipality for assistance is for the municipality first of all to see if the person cannot be sent back to the place from which he came. According to this that condition does not change; obviously he could still be sent

back to the province from which he came. That contention is further borne out by the provisions of section 10 (c) of the agreement which sets out the exceptions, as follows:

(c) all travelling expenses—

And then the subclause:

(i) returning a recipient of unemployment assistance and his dependents, if any, to his normal place of residence—

If a province were under agreement and received an application from a person who had lately come into the province, there is no stipulation here as to a time limit. The province could provide for a limit of five years if it wished, but a person who was within the time limit stipulated by the province might come from another province where there was no agreement with the federal authorities. He could be returned to that province and the federal government would share in the cost of returning that man and his family from the place where he had made application for assistance to his place of original residence. If I interpret this correctly, and I think I do, it means that it cannot definitely be said that there is no condition of residence, because it could be altered in every province that has an agreement with the federal government simply by stating the length of time during which it would accept responsibility for those people. That could be particularly true where the province of original domicile was not one having an agreement with the federal government.

Mr. Barnett: Mr. Chairman, the minister may recall that yesterday at the resolution stage I asked whether there would be any ceiling or floor in regard to payments to be made under the legislation to follow the resolution, and the minister replied there would not. I should like to ask him one or two further questions on that subject. I am wondering what consideration, if any, was given to that particular question in the discussions with the provinces, and with particular reference to the question of some form of ceiling or floor on the level of assistance that would be required to be paid if the federal government would participate.

I think perhaps the situation is highlighted somewhat by the contrast in rates that would be payable under the retroactive arrangement as between British Columbia and Newfoundland. I am not suggesting that there is any likelihood of there being an influx of people from Newfoundland to British Columbia. However, for the sake of argument let us suppose there was a contrast in rates as between British Columbia, which was paying $30, and the neighbouring province of Alberta where the rate to be paid was $11. In that case it would seem to me there would be a likelihood of a large influx into British Columbia as a result. While it is perfectly true that as far as the federal share is concerned it might increase the liability of the federal government, it is also true that it would materially increase the liability of that particular provincial government.

I am wondering whether there was not some general understanding reached among the provinces, at least those which are neighbouring provinces, as to some approximate level of minimum or maximum rates that will be paid. If not, what are the reasons for the decision? As far as the federal authorities are concerned there would be no provision made for a floor under the level of payments to the provinces that qualify.

Mr. Martin: I cannot add anything. What my hon. friend has said is right, but if we are going to avoid residence as a qualification—and I know my hon. friend will agree with that—you cannot do anything about it. You can only trust to the good sense of most people of this country, which I think is sound. There would be some people who would move from a lower rate province to a higher rate province, but I think that disadvantage is certainly countered by the great advantages of the terms of this legislation, so far as no residence qualification is concerned.

Mr. Knight: People going from the Liberal provinces to other provinces?

Mr. Martin: I would not want to make a political observation at this time.

Mr. Diefenbaker: I think what has taken place here today indicates that when there is too much rush in the examination of legislation difficulties arise. I think the time that has been made available to the house and the committee to review and consider this bill has been altogether too limited, and further limited by the fact that the bill was not made available until quite late this forenoon.

I have looked over this bill and it is unusual in many ways. Strangely enough there are no explanatory notes. Strangely enough there is nothing to indicate the need of uniformity, outside of the special case of the province of Nova Scotia. The bill as it is now constituted would leave the door wide open to the minister and the government to enter into agreements with other provinces that have not yet joined, to enter into agreements that would be materially different from those already entered into. The hon. gentleman shakes his head in the negative

but, sir, that is what could happen under this bill as it is presently constituted.

Much has been made of the question of length of residence. The minister answers that by saying that length of residence does not enter into the question at all, but it clearly does.

To begin with I am going to ask the minister to explain why the draft agreement should not be attached as an appendix to this act. There is no reason whatsoever why this act should be as wide open as it now is to the interpretation that might be placed thereon by the minister at any time in order to achieve the consent of any province now outside the act. Whilst I am sure the minister would never allow political considerations to enter into his administration of this act, as it now stands he could do so. I never believed he would until the concluding words of his remarks on second reading. Those concluding remarks were not in keeping with the usually detached attitude the minister takes, except when he rises to those heights of eloquence when he forgets that this is the House of Commons and treats us as though we were individuals in an audience and he was on the political stump.

Mr. Martin: I am afraid that is a frailty my hon. friend and I share.

Mr. Diefenbaker: That is one thing I do not share with my hon. friend, but it is a frank admission on his part—and he speaks for himself in that regard—that he does so on occasion. This apparently is one of those occasions when he allows himself to be carried away by generalizations regarding the meritorious nature of this and other pieces of legislation to which he made reference—that is, meritorious in his opinion.

I ask the minister first why the draft agreement is not attached hereto. There is no reason whatsoever why it should not be attached. In no way is it connected with the draft agreement which appeared in *Hansard* of January 11 at page 25; and the draft agreement as submitted to Nova Scotia is at page 27. I suggest first that in order to make this bill effective that draft agreement should be attached hereto, to set out in detail many of the items which at the moment are not covered by the bill and which to all intents and purposes, to use a colloquialism, are left up in the air.

I suggest that in order to better this bill, first these agreements should be attached. Otherwise in the preparation of the regulations the minister will be in a position—for after all he will prepare the regulations, irrespective of whether or not the governor in council has anything to do with that—to prepare them in such a general way that whatever measure he chooses will be in keeping with the provisions of the act.

We know what happened under the disability pensions act. That act was passed by this house—a very desirable objective to be attained—but when the regulations were brought in and parliament had no opportunity to consider those regulations, the result was that many thousands of people across Canada had been denied disability pensions because of the narrow definition that had been incorporated into the regulations. The minister has said on occasion that such interpretation was based on consultation between the dominion and the provinces, but that does not meet the criticism I have in mind.

As this bill stands today it is a mass of generalizations; indeed a hodge-podge of generalizations. It fails to bind the minister or the government in any way to carry out agreements similar to the draft agreement that is set out in *Hansard* of January 11. It leaves everything wide open. It makes it possible for the government by negotiation to enter into an agreement far different from the agreement of January 11, for the limitations under the bill as it now stands are not the limitations set out in the draft agreement to which I have already made reference.

I say first that unless this bill is intended when enacted to empower the minister and the government to enter into new kinds of agreements, expanded agreements, with the governments that so far have not indicated their acquiescence or desire to enter into agreement, then in order to ensure equality among all the provinces of Canada outside of Nova Scotia there should be the inclusion of the general draft agreement as an appendix to the bill.

Then we have another question that has been raised before but has not been answered satisfactorily by the minister. He answered it in that kindly way he has when he wishes to brush aside any criticism. When he wishes to get an item through he becomes the essence of urbanity. However, he has told my friend the hon. member for Saskatoon that there is no residence requirement. Let us read section 5 of the draft agreement and see what it says. Section 5 reads as follows:

> 5. Length of residence shall not be made a condition for the receipt of assistance if—

I may say that reference was made to the same point by another hon. member.

Mr. Martin: The hon. member for Hamilton West.

Mr. Diefenbaker: Yes; by the hon. member for Hamilton West. Section 5 continues:

—(a) the applicant has come from a province whose government has entered into an agreement similar to this respecting unemployment assistance, and . . .

You note how the door is left wide open. Suppose a person has gone from a province that has since entered into an agreement to a province in which the agreement applies, and has done so within the last year but certainly not with a view to securing any benefits under this act. The minister is in a position under the regulations to say that person shall not receive the allowance provided under this agreement. The section reads:

5. Length of residence shall not be made a condition for the receipt of assistance if

(a) the applicant has come from a province whose government has entered into an agreement similar to this respecting unemployment assistance,—

If the person has come from a province within the last year or two years, we will say, and in that province there is no unemployment assistance, all that will need to be done in order to defeat the person's claim will be to simply pass regulations to the effect that the period shall be two years or three years, or whatever the case may be. Section 5 continues:

—(b) such agreement includes a like clause as herein contained in respect of length of residence not being a condition for receipt of assistance.

That is the joker in this act, and it will remain a joker unless the minister incorporates this draft agreement into the bill as an appendix. If he does not do so, then the minister will be in the position of having an agreement that can be interpreted in a wide-open manner and in such a way as to defeat the just claims of individuals who should be entitled to benefits. I say the minister either should incorporate length of residence or, if he does not incorporate length of residence—and I am not supporting length of residence to be included—then in order to ensure that section 5 of the draft agreement is carried out, it must be made part of this bill.

To do otherwise is to place the minister in the position of having a power that parliament never intended to give him or never intended to extend. What the minister tells the house in committee will in no way enter into the interpretation of the meaning of any section of the bill. If in the event of a disagreement the matter comes before the exchequer court, the court will look at the bill by itself. It will say, "Parliament did not intend to refer to any draft agreement because, if it had done so, it would have included it".

[Mr. Martin.]

I make that suggestion to the minister. If this bill is bona fide, as I trust it is, and if it is not to be made a political football between now and the next election, let the minister—in his desire to have the bill improved and to have every province treated alike, outside of the province of Nova Scotia, which is a special case—say to the committee, "There is no reason whatever why the agreement in the form in which it was placed on *Hansard* should not be attached as an appendix". If he will do that, a major portion of my objection to this bill will be removed. If he will not do that, I say this. It is going to give him an opportunity of—

Mr. Martin: I have just been thinking. I have no objection to doing that very thing. As a matter of fact, I may say to my hon. friend that at one time we had discussed that matter with the provinces. At the moment I just cannot think what the reason was that it was not done but, as I remember it, it was not consequential.

Mr. Diefenbaker: If the minister has no objection, would he at an appropriate time accept an amendment to that effect?

Mr. Martin: Yes. I will do it right now.

Mr. Diefenbaker: I think it should be in the form of a motion.

Mr. Martin: I have already asked my colleague and he is going to move one.

Mr. Diefenbaker: That is fine. In that way I feel that the ambit of the bill will have been restricted equally to all provinces, not only those which have entered but as well those that contemplate entering or may consider entering into an agreement.

Mrs. Fairclough: Mr. Chairman, earlier in the day, at the second reading stage, I mentioned the fact that I had been unable to procure copies of the correspondence. The minister said that when we got into committee he would be glad to give me the information. In one of the letters from the Prime Minister to the premier of Ontario, dated December 5, I notice that he refers to earlier correspondence, and says this:

In revising the draft agreement, we have sought to meet all the points raised by provincial representatives . . .

I am now back on my original point. I should like to know what specific points were raised by the non-contracting provinces. From the minister's remarks yesterday I understand that one province is about to complete a contract. If he would do so, I should like him to deal with the other three provinces and tell the house just what were the main points of protest by the provinces or the

reasons they did not feel that such an agreement was advantageous to them.

Mr. Martin: I have already dealt with the sole obstacle in the case of Alberta, so I do not need to deal with that matter any more. It was the question of residence. I cannot at this moment give you what were the reasons which persuaded the government of Quebec not to enter the scheme as of this date. I do not know what they were. As to the province of Nova Scotia, I have outlined that we were all agreed, all nine provinces, that Nova Scotia should be treated as a special case because ·45 per cent did not seemingly cover the normal statistic of unemployed in both categories.

Last Friday I discussed this matter with the premier of Ontario. If I may put it this way, may I say that I do not feel I should be called upon to reveal—it would not be fair for me to do so—the character of the observations he made, except that I can say I am hopeful that Ontario will come in. I must be frank and say that one of the reasons Premier Frost had in mind for not coming in was that he felt that, in the package deal in 1945, we had at least given the impression—that is the way he put it to me—that we were prepared to accept 100 per cent responsibility for the unemployed employable group not covered by unemployment insurance.

I was obliged to tell him that I could not accept that interpretation of the situation. I had to tell him that in 1945 what we had agreed to do was accept for a limited period responsibility for that group; that we had brought in unemployment insurance; and that while it was understandable to say there was a logical responsibility on us that flowed from that, we had not in fact in the proposals made that offer. I have already quoted references to prove that statement is not only borne out by my own interpretation but by the interpretation of others in this house.

What we are doing in this bill now, I think, is being appreciated by the province of Ontario to a greater extent, I think I may say, than when we discussed this matter at the full conference. Having in mind the basic figure on that date, and including the retroactive period, there will be some 23,000 involved in Ontario, and three-quarters of those would be unemployed unemployable people. Since that was a responsibility we had certainly not agreed to, whatever may be the argument on the other count in 1945, we certainly were entering a field where the provinces would receive at our hands a measure of assistance which was certainly not contemplated in 1945.

I do not know that, in the case of Ontario, in view of the discussions with the premier, I would be fair in going any farther. I do not know if I have satisfied my hon. friend, but if I have not she will be good enough to so indicate.

Mrs. Fairclough: I did not expect the minister to give me any information that was given him in confidence, but bearing in mind that this letter does refer to other correspondence, and also to the fact that when I asked the minister yesterday where the correspondence with the provinces was he said it had been tabled—

Mr. Martin: Was I in error?

Mrs. Fairclough: Yes. It has not been tabled. I cannot find it anywhere.

Mr. Martin: I am sorry.

Mrs. Fairclough: When I asked earlier the minister said, if my memory serves me, that he would deal with that and would have the correspondence here.

Mr. Martin: I thought it was tabled.

Mrs. Fairclough: No, it was not. When the minister refers to this I presume he means the 23,323 he mentioned earlier. He said, with regard to the 23,000, that a certain percentage were unemployed employables. I draw to the minister's attention that Ontario is still going to pay for all those 23,000, because 23,000 still does not come up to the ·45 per cent which is the basis on which the agreement was made.

Mr. Martin: The 23,000 is the hard core.

Mrs. Fairclough: But the ·45 per cent amounts to 27,000, so they could still have another 4,000 for whom they would have to pay on the same basis as they pay for indigents and other relief, before they would even begin to qualify for the 50 per cent of the amount paid over-all.

An hon. Member: The same as any other province.

Mrs. Fairclough: Somebody says, "The same as any other province." That is true. I am simply using it as an illustration, because those are the only figures I have here. I thought it would be interesting to take one of the provinces presently under the agreement and take the figure for those who are receiving assistance as of June, the same date the minister gave for Ontario, and then take the figures for the highest period of unemployment. That does vary by provinces. In Ontario it runs along about the middle of February, as a general rule. In some of the other provinces it runs as late, I believe, as

the third week in March. But for most provinces, somewhere between February and March you would find the peak of unemployment. It would be interesting to have those figures.

I would think the minister would say that anybody left on the relief rolls in June or July would be definitely the hard core of persons seeking public assistance. They are probably the people who are never off the relief rolls of the province. I doubt very much if any province actually has a hard core of more than ·45 per cent of its population.

Mr. Martin: You mean normally?

Mrs. Fairclough: Yes.

Mr. Martin: That is right, and I think my hon. friend will agree we hope it stays that way.

Mrs. Fairclough: Yes, very definitely; but it changes the whole picture which the minister has given this house when he says that now, under this legislation, the federal government is invading a field that had never been envisaged by the 1945 proposals. He says they are going farther than they intended to go in 1945, but that is not true and for this reason. If the hard core which is always there does not in any case exceed ·45 per cent—in any event the province has always paid for them—and in the 1945 proposals it was agreed that the province would still care for the unemployables and that the only ones who would be considered by the federal authorities were the unemployed employables, then actually that is what is proposed under this bill.

But even so, even in extending assistance to the provinces to take care of the unemployed employables this legislation still leaves that hard core of ·45 per cent which, as I say, may be actually, as it is in the case of Ontario more than their ordinary welfare assistance, so it still leaves that in provincial hands, paid for by the province. Until the province goes over the ·45 per cent the federal government does not participate at all, and then only to the extent of 50 per cent of what is left over and above ·45 per cent. If the normal hard core of ordinary relief assistance is less than ·45 per cent, then under this agreement the province actually assumes something it did not assume before.

I do not say the province did not pay it. The province has done so and has taken care of some of these people, but it had no actual legal responsibility to them, and many provinces have refused to acknowledge it. Now under this agreement they must acknowledge their responsibility up to that basic figure. Then the government comes along and offers them 50 per cent of the amount expended over and above that figure, but the government is not paying 50 per cent of their cost of assistance. The province is paying 50 per cent of the cost over and above the figure that has been set, and in addition the administrative costs for those additional people.

I want to say something later on about administration costs, but at this point I should like to make it clear that I think the minister erred when he said the federal government, through this legislation, goes farther than had been proposed in 1945. I think a very good case could be made for that because, as I have said, that basis is a basis which, on the minister's own admission, is higher in most instances than the actual hard core of persons receiving indigent relief of one sort or another. Then, of course, the dominion does not participate until you go over that figure.

Mr. Churchill: If the minister is not going to reply, can we carry this a step farther? Somewhat earlier I asked the minister if he could give us the figures by provinces represented by this magic number, ·45 per cent. He did not have the information; yet when the hon. member for Hamilton West mentioned Ontario and the figure of 23,323 the minister promptly said that was the basic figure for Ontario. Well, if he has such a ready reply with regard to that province, can he not tell us what it is for the other provinces? This information put down now in the official record would be very helpful to anybody who is studying this matter.

Mr. Martin: I cannot give my hon. friend the figures for all the provinces. I remember the figure of 23,000 because I had been discussing and concluding this matter with the province of Ontario, as I indicated, just a few days ago. Those figures are there. Some of the provinces do not have a reporting system that justifies the acceptance of certain figures they present. We are waiting for their claims.

Mr. Churchill: Did the provinces, in correspondence with the minister concerning agreements that might or might not be signed, not have to indicate the situation with regard to unemployment in their provinces?

Mr. Martin: We are waiting for them now in four of the agreements.

Mr. Churchill: What about the six?

Mr. Martin: In the case of two we have those figures. I have given them for Newfoundland and British Columbia.

Mr. Churchill: Do the other four provinces not have them also?

Mr. Martin: We are waiting.

Mr. Churchill: The minister is waiting for the figures from them?

Mr. Martin: Waiting for their claims to come in.

Mrs. Fairclough: I take it the minister says some of the provinces do not have proper reporting systems or means of gathering this information. One more thing they have to do is put in a system of accounting which will give them those figures quickly and accurately.

Mr. Bell: When the minister on second reading gave the figures of the total unemployed employables in each of the provinces I noticed that the figures for the maritimes seemed to be proportionately high again. These totals as such do not give me any sort of relative comparison. I know there is trouble with unemployment in the maritimes on a scale that is far greater than anywhere else in Canada. The hard core that has been mentioned here is certainly to be found down there if it exists anywhere. I know there is a sectional aspect to it. The minister said the per capita percentage-wise figures would be available. Before this clause carries I should like to know whether they can be made available and when they will be made available.

Mr. Martin: Before we conclude this bill I shall try to get them. It is a matter of calculation.

Mr. Bell: I would prefer to have the section held over, because it means nothing to me to have figures as such. I had a speech ready; I was going to speak on the resolution stage and on second reading. I realize the minister made an appeal that perhaps we should not waste any extra time on this. Frankly I should like to get those percentage figures, because when we take the last issue of the *Labour Gazette* we learn that the maritime provinces is the only section of Canada that this year has surpassed the previous year's unemployment figures. That means only one thing to me, namely that the statement the minister made a few minutes ago about the high level of employment in Canada is not general. It does not apply to the Atlantic provinces. I think this section should stand.

Mr. Martin: That applies to your province.

Mr. Pallett: Can the minister tell the committee, if all the provinces sign the agreements, how much of the actual cost of relief, and that is exactly what it is, would be paid by this government? What percentage of the total cost would it be? Would it be 5 per cent of the total cost, 10 per cent or 11 per cent? What percentage of the total bill would it be? I do not want the minister to talk about percentages of contribution, or a percentage over ·45, but what percentage of the amount paid by the municipalities and paid by the provinces would be paid by the dominion? In other words, if the total relief bill is $100, how many dollars would the dominion contribute?

Mr. Martin: We cannot tell that figure because we do not know what the rates will be. They will be fixed by the province and the municipality, or both combined. The provinces have not given that figure, except in the case of British Columbia and Newfoundland. They are the only ones that know the rate. For instance, in the case of Newfoundland, if we take the month of February, 1955, the province is paying $203,000 and the federal government would pay $101,000. With regard to the other provinces, excluding British Columbia, we do not know what the rate is going to be; we have not received their reimbursement claims yet.

Mr. Pallett: Mr. Chairman, that figure, quite unintentionally I am sure, is quite misleading. The minister said the province of Newfoundland is paying $203,000 and the dominion is therefore paying $101,000. What is the total relief bill? The figure of $203,000 represents only the amount over ·45 per cent. What is the total bill for the other provinces?

Mr. Martin: It would be the difference between ·45 and zero, which is about half of one per cent.

Mr. Pallett: It would be about another $203,000. Therefore, in effect, in Newfoundland you are paying half of $203,000. Their bill, as submitted to you, is about half what they are paying. Therefore you are paying about 25 per cent of their bill. I just wish to put that on the record as an indication of what the government is paying so there will not be any misunderstanding.

Mr. Martin: The province of British Columbia would have agreed to pay 40 per cent, and one other province recommended 60 per cent. We pay 50 per cent.

Mr. Pallett: Actually, the minister continues to say this government are paying 50 per cent. I wish to point out to the committee that they are not paying 50 per cent of the relief bill. In many instances they are not paying 25 per cent or even 15 per cent. This continual reiteration of 50 per cent is not correct. The dominion government are paying 50 per cent of—

Mr. Martin: It is 50 per cent of over ·45. Obviously, we are paying nothing toward that portion from zero to ·45. What the amount from zero to ·45 is I do not know.

All this bill is doing, and all I am saying, is that it authorizes us to pay out of the consolidated revenue fund not more than 50 per cent of assistance toward those in the two groups, provided that those groups represent ·45 of the population of a province. I have not said the bill does any more than that, but it is a great deal.

Mr. Pallett: No, I do not think the minister has said any more than that, Mr. Chairman; but I think the committee should know what is the over-all cost of helping these people, and how much of the over-all cost this government is paying. That is the difficulty the people of this country are concerned with, because they are the people who are paying it, and the municipal taxpayers are the people who are paying it. Let us not have any unintentional misleading with these figures. They say that figures lie and liars figure; nevertheless—

Mr. Martin: And that lawyers are liars.

Mr. Pallett: Since you are a member of the bar as well, it cuts both ways. There must be figures available, and surely to goodness the minister should be able to give them to the committee.

Mr. Martin: The hon. member is asking for the figures of the hard core in the provinces. I have not those figures.

Mr. Pallett: Is the minister saying that with all the machinery of this government, with the dominion bureau of statistics and all the rest of it, he is unable to say what the total cost of relief is in this country? That is a very sorry admission.

Mr. Martin: I did not say that; I said I have not those figures right here.

Mr. Fleming: Why have you not?

Mr. Pallett: Can the minister produce them?

Mr. Martin: Oh, certainly.

Mr. Pallett: Would you produce them?

Mr. Martin: Very gladly.

Mr. Pallett: When?

Mr. Fleming: Right away?

Mr. Pallett: Will you produce them before this clause passes?

Mr. Martin: No, I cannot.

Mr. Pallett: I think those figures are fundamental to the whole discussion.

Mr. Martin: I do not think they are fundamental to the title of the bill.

[Mr. Martin.]

Mr. Pallett: But the thing is that this .45 figure may be considerably too high, and perhaps we should be applying the .30 figure for all the provinces.

Mr. Martin: It might possibly help my hon. friend, who appears to be in a very unhappy state of mind, if we perhaps could stand clause No. 1 and go on to clause 2.

Mr. Fleming: As long as you do not move that further consideration be postponed.

Mr. Hamilton (York West): Mr. Chairman—

Mr. Martin: I have suggested that clause 1 stand and I just want to make sure it is agreed to let clause I stand and go on to No. 2. Would my hon. friend like to ask a question on clause 2?

The Chairman: Shall clause 1 stand with unanimous consent?

Mr. Hamilton (York West): On clause 1, Mr. Chairman—

An hon. Member: Before it stands.

Mr. Hamilton (York West): Before it stands, yes.

Mr. Martin: I have just made a proposal suggested by the hon. member for Peel, that we might let clause 1 stand and go on with the other clauses. I agreed to that, and I take it my hon. friend agrees that we will come back to that when we have the required information.

Mr. Hamilton (York West): What I have to say is designed to help the minister, if he will just let me conclude. If the minister wishes he can stand the clause immediately afterward but I am asking the indulgence of the committee at this point because the minister has indicated that he will bring in an amendment to the bill along the lines suggested by the hon. member for Prince Albert.

Mr. Martin: Making the agreement a partnership?

Mr. Hamilton (York West): Yes. If the minister is going to do that perhaps the observation I am going to make will not require a further amendment, but on the other hand perhaps something else will have to be done. May I direct the minister's attention to the notice clause contained in the bill, clause 4, subclause 1 paragraph (e) and also the notice clause contained in the agreement in clause 17. It seems to me there is room for two different interpretations as to what may result from this notice clause. In the bill itself it would indicate that the agreement goes for five years and then from year to year as a lease might run on, whereas

in clause 17 of the agreement it would indicate that on one year's notice from any time at all after the expiration of the fixed period the agreement could come to an end. It seems to me this might be subject to two different interpretations. I am only suggesting now that if an amendment is being made perhaps this might be done at the same time. If not, my observations will apply to clause 4.

Mr. Martin: Stand.

The Chairman: Shall clause 1 stand by unanimous consent?

Some hon. Members: Agreed.

Clause 1 stands.

Clause 2 agreed to.

On clause 3—*Agreements for contributions.*

Mr. Carter: Mr. Chairman, I should like to make a few comments on this bill.

Mr. Winch: On clause 3?

Mr. Carter: Since it has been agreed to let clause 1 stand I think my observations can properly be made under clause 3. There are three aspects of this legislation which are of particular interest to my province and my constituents. As the representative of a riding composed mostly of fishermen it is a source of great gratification to me, and I am sure it will be to all my constituents, to know that this assistance can be extended to the self-employed groups when they become unemployed, and that in the self-employed groups fishermen and farmers can be included.

Mr. Winch: Where is that in the appendix?

Mr. Carter: Pardon?

Mr. Winch: I see it is not in the bill; where is it in the appendix?

Mr. Carter: The minister assured us of that in his remarks yesterday and I think perhaps again today.

Mr. Martin: I wonder if I might say to the hon. gentleman that perhaps when we come back to the title, which we have asked to stand, he might find it a more convenient place to make the general remarks he is making now.

Mr. Carter: On clause 1?

Mr. Martin: Yes; we have let it stand.

Mr. Winch: Would the minister say where it is in the agreements and the appendix?

Mr. Martin: This applies to everyone; there is no exclusion in the bill.

Mrs. Fairclough: Mr. Chairman, this clause refers to the agreements with the provinces; therefore almost anything we intend to bring up with regard to specific clauses in the agreement should really come under this particular clause. The minister has said that payments will be made retroactive—

Mr. Martin: In the case of the existing agreements, back to July 1, 1955.

Mrs. Fairclough: Yes; July 1, 1955. I notice in the agreements these claims must be in the government's hands within six months. I take it the provincial governments make their applications by the month but no claim should be more than six months old. How does the government propose to pay these? Are they to be paid on a yearly basis or will these accounts be paid on a monthly basis—that is every month—or paid on receipt and after consideration has been given to them? I presume these payments will be practically automatic, once paid, and then any audits that are done may provide subsequent adjustments. Is that correct?

Mr. Martin: That is correct.

Mrs. Fairclough: Here is the opportunity I have been seeking to speak about this matter of the cost of administration. I must say I agree with the minister, and I am sorry if I gave the impression that I did not think the actual machinery of administration should be in the hands of the provinces, because I know it is pretty difficult to handle these matters in any other way. When it comes to the cost of administration, however, I think it could be shared. I should think the minister would have in his possession some figures which would show the approximate cost of administration of relief assistance in the various provinces; that is, is it a percentage—

Mr. Martin: It is not uniform.

Mrs. Fairclough: No, it may not be uniform, but it would be a percentage of the funds expended, and in so far as their basic expenditures are concerned they should run on a fairly even tenor. I would think there would not be peaks and valleys. If there were gradually increasing costs that would be understandable because of the increases in all costs, but there should be a ratio by which it would be fairly simple to arrive at a split of the additional cost of administration.

If it were found, for instance, that the cost of administration of relief for a given province was 3 per cent or 1 per cent, whatever it might be, then if you applied the ·45 basis to that cost of administration you could probably add a proportion of the amount of the payment to the province to help defray the cost of administration. I would like to know whether the minister considered that and whether it was a subject of discussion with the provinces in the drawing up of these agreements.

Mr. Martin: As to administration costs in the provinces, the costs of existing public assistance programs are tied in with other measures and I cannot give that figure. We asked for that at the conference and some rough estimates were given, which I forget at the moment, but apparently there are no separate accounts. In the case of family allowances administration I know that in the case of the Department of National Health and Welfare it is 1½ per cent and for treasury it is a little higher than that, with the total being under 4 per cent. I used that amount at the conference, but I was not able to get from the provinces an exact statement because they do mix it up with other matters such as mothers' allowances, field investigations under the children's aid and so on. It is not segregated. Then there is the fact that some of the larger municipalities have extensive operations of their own.

Mrs. Fairclough: I realize that, particularly well-organized municipalities. For instance, applications for mothers' allowances, old age security and old age assistance benefits, and disabled persons assistance are usually filed with the local welfare office and I agree that it would be hard to separate those. But even taking that into consideration there must be a level at which you can arrive so you can say that the total cost of administration—I shall take a figure half-way between the two used by the minister—is 2½ per cent.

Mr. Martin: I would think it would be higher than that.

Mrs. Fairclough: The amount does not matter; let us say 4 per cent. Admittedly some of that cost would be as the result of applications being received which were not directly related to the local relief program. Even if you made allowance for some error and arrived at a figure which you could relate directly to the administration of the local relief problem, you should be able to apply that figure to the net amount which the province would receive from the federal government under this assistance, which would go a long way toward defraying the cost of administration. I do not think it would be too difficult.

Mr. Martin: We asked them and they could not give it to us.

Mrs. Fairclough: The minister's own department should be able to arrive at some sort of figure. The municipalities could not give it because they have been doing a lot of federal government work in their own offices.

Mr. Winch: I consider that clause 3 is the important clause in the bill, the key clause, and I should like to ask the minister if my interpretation of the clause is correct. The clause is very definite. It reads:

> 3. (1) Subject to this act, the minister may, with the approval of the governor in council, enter into an agreement with any province to provide for the payment by Canada to the province of contributions in respect of unemployment assistance costs in the province.
>
> (2) The contributions to a province shall not exceed fifty per cent of the unemployment assistance costs in the province in respect of which Canada has, under the agreement with the province, undertaken to contribute.

It would seem to be quite definite that the minister can make an agreement with any province in any amount the province wants to pay, and the federal government will contribute up to 50 per cent of the cost. I think that interpretation is correct.

I am sorry I have to go back to what was said when we were discussing clause 1, but this seems to be the place at which to discuss this particular matter. There is nothing in this bill which has anything to do with a means test or as to who is covered or who is not covered, and I include in that a fisherman or a businessman who has gone broke or a farmer who is destitute. Do I take it that this clause actually means that the establishment of who would be entitled to aid would be decided by provincial regulations and provincial decisions or on the basis of an agreement signed with the federal government, and then the federal government would pay 50 per cent? In other words the minister is saying by this clause 3 that if a person is not entitled to benefits the province can actually lay down who has a right to receive aid outside of the present legislation, and the dominion will pay up to 50 per cent. Therefore the matter of aid to fishermen or to any other individuals would be something laid down by the province. Am I right or wrong in that?

Mr. Martin: I think when we come to clause 4 (c) the hon. member will see that the agreement contains provisions for the carrying out of assistance to persons who are in need.

Mr. Gillis: I would like to get some clarification of the agreement in connection with one or two points, the first being residence qualification. I am thinking particularly of Nova Scotia, which has not signed an agreement. The dominion government has assisted in the movement of some hundreds of people from Nova Scotia to British Columbia. Some have been shifted to Ontario, but as Ontario has not signed an agreement an argument in that connection would not be valid.

What I am bringing to the minister's attention is the fact that British Columbia is being reimbursed this year to the extent of over $1 million for its unemployment contributions over the past year, while Newfoundland is to receive some $750,000. I think that demonstrates the value of the legislation. Those provinces are getting back that amount of money which they would not get back if the legislation was not in existence or if they did not have an agreement. But I am concerned with that part of the country where they are moving out.

As I say, some hundreds of people were sent in groups from Nova Scotia to the lumbering industry in British Columbia. That is a highly unionized operation and if there are to be lay-offs, those who came on last will be laid off first. That means that those men who were moved out there are likely to be among the first unemployed when there are seasonal lay-offs. They will not be able to qualify for unemployment insurance, because they have not worked long enough to draw benefits. Under the residence clause these people will not be able to receive unemployment insurance or unemployment assistance, and this through no fault of their own. This is all assuming that Nova Scotia does not enter into an agreement. I just leave that thought with the minister.

The second thing I should like to get clear is that under the agreement—I am going to talk about Nova Scotia again—the formula is that there must be ·30 per cent unemployed as related to the total provincial population. In the case of Nova Scotia I think that would amount to around 2,500, which would be the number to be handled by the municipalities and the province. The minister has stated that there are approximately 3,000 unemployed in the province. As I understand it, that is where the federal government would begin to contribute.

As of now, if Nova Scotia had an agreement it would be absorbing 50 per cent of the cost of the 500. What I would like the minister to clarify for me is this. When you come into the picture and begin to contribute to the relief of that 500 on a 50 per cent basis, is that a straight provincial-federal proposition without any reference to the municipalities?

Mr. Martin: No, it could be the municipality entirely or the province and the municipality.

Mr. Gillis: Would they divide the 50 per cent?

Mr. Martin: Yes, they share the 50 per cent.

Mr. Gillis: Is that to be determined by the provincial or federal government?

Mr. Martin: It is to be determined by the two jurisdictions concerned. We do not have anything to do with that.

Mr. Barnett: I have just one or two questions relating to the question just asked by the hon. member for Cape Breton South. There has been a good deal of discussion on this question of entry into a province which has an agreement by former residents of a province which has not an agreement. I was wondering whether the minister has information he could give the committee as to what residence qualifications the various provinces have established at the present time with respect to eligibility for unemployment assistance. For example, in the province of British Columbia, how long must a former resident of another province have been in British Columbia before being qualified under the agreement?

Mr. Martin: In British Columbia it is one year. In some provinces it is three years; in some provinces six months; in some municipalities it is as high as seven years.

Mr. Barnett: My second question would be, was any understanding arrived at—I notice that it is not in the agreement—with respect to the maintenance of existing regulations by the provinces?

Mr. Martin: In respect of those provinces where we have agreements there is no residence qualification. The only test is one of need and unemployability.

Mr. Gillis: If you went in, you must have come from a province that had an agreement?

Mr. Martin: If a person, for example, came from Alberta to Saskatchewan and Saskatchewan was willing, there is nothing in the act to prevent that.

Mr. Barnett: Assuming, for example, that Nova Scotia for some reason or other does not conclude an agreement, there is nothing in the arrangement or understanding that would prevent British Columbia, for example, from increasing its residence qualification from one to two years?

Mr. Martin: As far as this agreement is concerned there must be no residence qualification. My hon. friend was referring to section 5, which refers to provinces where they both have agreements with the federal government. Where that is the case, each must have a provision for no residence qualification.

Mr. Winch: I am sorry if I am a little dense. If a province such as British Columbia, for

example, had signed an agreement and agreed to continue, it has to accept anyone who comes in from a province that has not signed and pay the benefits?

Mr. Martin: That is up to British Columbia. We cannot impose it on them.

Mr. Churchill: On clause 3, with regard to these agreements with the provinces, could the minister inform us if the provinces, other than Nova Scotia, including those that have already come to an agreement with the federal government and those that have not yet concluded such agreements, are willing to accept the terms of the draft agreement tabled here on January 11 without further alteration?

Mr. Martin: We do not know yet. There is no doubt in the case of Alberta except for the residence qualification. I have indicated the situation as far as Quebec is concerned; we do not know what their reaction is. I have no reasons for believing that if Ontario comes in it would want a variation of the agreement. We have had no correspondence with them.

Mr. Churchill: The words "an agreement with any province" in clause 3 mean that an agreement that may be signed with other provinces may be quite different from the one we have in front of us here, tabled on January 11?

Mr. Martin: No. My hon. friend will remember that the hon. member for Moose Jaw-Lake Centre proposed that we make part of the agreement a schedule to the act and we agreed to do that; and one of my colleagues, at the appropriate moment, will move the amendment.

Mr. Churchill: I appreciate that, but I understood the minister to say that even at that there might be alterations made by the provinces in the future. Do I understand him now to say that when the agreement is made part of the schedule to the act it will remain unchanged and the form will have to be accepted by the other provinces?

Mr. Martin: That is right; it could not apply to one province and not to the others. I am going to ask my colleague the Minister of Citizenship and Immigration to be good enough to move that clause 3 be amended by adding thereto the following subclause as subclause 3:

Any agreement entered into under this act shall be in the form of and subject to the conditions set out in schedule A to this act, except that an agreement with the province of Nova Scotia shall be in the form of and subject to the conditions set out in schedule B to this act.

[Mr. Winch.]

I may say to my hon. friend that we have considered that and we thank him for his observation, but we think the situation is clear.

The Chairman: Mr. Pickersgill moves:

That clause 3 be amended by adding thereto the following subclause as subclause 3:

Any agreement entered into under this act shall be in the form of and subject to the conditions set out in schedule A to this act, except that an agreement with the province of Nova Scotia shall be in the form of and subject to the conditions set out in schedule B of this act.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Chairman: On clause 3, shall the amendment carry?

Some hon. Members: Carried.

Amendment agreed to.

The Chairman: Shall the clause as amended carry?

Some hon. Members: Carried.

Mrs. Fairclough: Just a minute, Mr. Chairman.

Mr. Diefenbaker: What is that? Is that the amendment?

The Chairman: Yes.

Mr. Diefenbaker: Mr. Chairman, my hon. friend has suggested this amendment—it just came to my notice a moment ago—with reference to the question I had raised. "I move that any agreement—"

Mr. Martin: It has been moved.

Mr. Diefenbaker: Yes. I was trying to analyse it in order to see how it would cover the situation. Perhaps I might read it. It reads as follows:

Any agreement entered into under this act shall be in the form of and subject to the conditions set out in schedule A to this act, except that an agreement with the province of Nova Scotia shall be in the form of and subject to the conditions set out in schedule B to this act.

I think that covers in every particular the suggestion I made, and I thank the minister for accepting it. I think it covers the situation perfectly.

The Chairman: The amendment is carried. Shall the clause as amended carry?

Mr. Diefenbaker: I wonder whether the minister could give us some figures as to the number of persons in Saskatchewan, for

example, who might be covered by this legislation? At the present time the province and the municipalities are providing assistance for a certain number of our citizens on a 50-50 basis. I wonder whether the minister could give us some information in that regard?

Mr. Martin: About 4,052.

Mr. Nicholson: About 4,000 at the present time?

Mr. Martin: Four thousand and fifty-two.

Mr. Nicholson: I wonder whether the minister could tell us how many there are in the province of Saskatchewan who would be eligible when this legislation is passed?

Mr. Martin: Four thousand and fifty-two—

Mr. Nicholson: I gather that is the base?

Mr. Martin: No. The base is 4,000. The total number as of February, 1955, was 8,052. The 4,000 represents the threshold, ·45.

The Chairman: Shall the clause as amended carry?

Clause as amended agreed to.

On clause 4—*Contents of agreement.*

Mrs. Fairclough: I have a question on clause 4, subsection (a). The matter is not included in the subsection. I presume this is the section which would cover the basis for the statistics on the population. Will the minister tell us how they procure the figures as to the population of the respective provinces, and how often they are changed?

Mr. Martin: The figures are changed every year; June 1, 1955.

Mrs. Fairclough: On what basis are they changed? Obviously there is no census.

Mr. Martin: Dominion bureau of statistics figures.

Mrs. Fairclough: Under this same section?

Mr. Martin: It is the same as in connection with the tax agreement.

Mrs. Fairclough: Would the minister give us an explanation of clause 8 (a) (iv) of the agreement?

Mr. Martin: Clause 8 (a) (iv), a charitable organization; it would be any kind of institution that is not normally within the control of the province such as, for instance, a mental institution like that at Whitby or Orillia.

Mrs. Fairclough: They are under provincial control.

Mr. Martin: That would not be included but it would include any other such as, for instance, a nursing home that was maintained by a church or by a municipality in conjunction with a church or by a voluntary organization; or an old age pension home, either one operating on its own under the old basis or one under the National Housing Act. In other words we seek to include those institutions that are not normally considered as provincial and for which the patients receive assistance through the provinces.

Mrs. Fairclough: Would that cover an institution or organization where the institution itself receives some assistance from the provincial authorities but the inmates receive none? That is to say, there are certain private hospitals which qualify under certain classifications in Ontario. I do not know about the other provinces, but in Ontario there are certain institutions which qualify for assistance on a per-bed basis, yet wherein the inmates themselves receive no assistance other than probably the old age pension. The minister says that if the inmates are not in receipt of provincial assistance the institution is covered. Let us take as an example the old age act, the provincial one. What do you call it?

Mr. Martin: Old age assistance.

Mrs. Fairclough: Let us take as an example old age assistance. Suppose a person is resident in one of these institutions and receives old age assistance, which amount then automatically goes to the institution itself. Would that fact disqualify that person under this act?

Mr. Martin: If the individual is receiving old age assistance he would not be included under the provisions of this act unless the province provided additional assistance to the old age assistance. In Ontario, for instance, under the supplementary old age assistance provisions that were recently announced, that would not preclude them because that is not a supplementary payment in the sense that it is in Alberta, Saskatchewan and British Columbia. There it is really assistance. The municipality contributes $8 and the province $12. Under this act they would not be regarded as excluded for the purpose of what is called supplementary assistance in the province of Ontario but which we would regard as additional assistance. Section 9 of the agreement covers that matter.

Mrs. Fairclough: Without regard to section 9 of the agreement at the moment, may I ask this question. If the province itself is contributing to an institution wherein are resident persons receiving old age pensions or old age assistance, would the amount that is contributed by the province in excess of the amount which that institution would

receive—provided it is operated on a charitable basis—from the old age pensions or old age security which is signed over to them be included in the total which the province includes under section 6 as the amount which was expended in the year for assistance by the province? Could the province include these contributions to the maintenance of that establishment as a part of its welfare assistance?

Mr. Martin: No. This is a program to assist individuals. If the money is paid by the province to the institution as such, then these individuals are provided for in that way. For instance, in my own community we have an organization that is run by one of the churches, and the province does pay some assistance to the individuals in that institution. That assistance to individuals would bring those individuals within the purposes of this act. But if it is a grant to the institution as such, that precludes them.

Mrs. Fairclough: Of course that brings up this point. You may have assistance given to individuals which is in turn signed over to an institution, as is the case in a great many instances. In other words, in order to qualify the province would have to make this contribution to each individual resident of that institution, and they in turn would have to sign those contributions over to the institution in which they resided in order for the province to gain the benefit of assistance from the dominion?

Mr. Martin: The last condition is not necessary. That is a matter for arrangement between the individual and the institution. But if the province paid an assistance grant to the individual, we would share in that.

Mrs. Fairclough: It seems to me, Mr. Chairman, that we are splitting hairs here on this particular clause, because under clause 8 of the agreement there is set out in three or four very short paragraphs and in that one very long paragraph a description of the type of contribution by the province which is eligible for inclusion in the over-all total of assistance granted. I am sure we are all familiar with the type of institution which operates on a charitable or semi-charitable basis, which is not sponsored by the province but which gains some assistance by reason of the type of person who is there. Certainly this is true in the case of indigents who are residents in such institutions.

It looks as if it is going to be increasingly important to the province to include in its list of persons who are receiving assistance, both in so far as the number of persons is concerned and also in so far as the total expenditure is concerned, every single person and every single dollar if the province is going to benefit under the scheme. I just wonder whether or not this section 8(a)(iv) in the agreement is a loophole. I do not say it is deliberately so, but I have had so much experience with regulations which are brought into effect under legislation that I wonder if there is not an escape there from a large expenditure of federal funds which would otherwise benefit the province and the municipality.

Mr. Martin: I cannot say any more than I have said. What we are seeking to do is assist the province in respect of assistance which they provide to individuals. In one section of the bill we do include the kind of institutions which would not bring all individuals in that institution within the purpose and coverage of the bill. Then we make, as my hon. friend calls to our attention, in section 9 of the agreement an exception, and that would cover such things as nursing homes, hospitals for indigent transients, homes for the aged, poorhouses, alms houses and hostel dormitory accommodation for the aged provided under the National Housing Act.

Mrs. Fairclough: Excuse me; what clause is the minister quoting from?

Mr. Martin: I was just giving the kind of institution. If my hon. friend will look at clause 4, subclause 4 of the bill, the institutions are cited there. Individuals who receive assistance from the provinces for themselves, and are in these institutions, are covered by this bill. But if the grant paid by the province is to the institution as such, they are not included any more than the people in mental institutions or T.B. sanatoria.

Mrs. Fairclough: That is quite true; but after all the bill in itself is enabling legislation, more or less, and the actual terms are set out in the agreement. Therefore when you consider clause 4 you must, of necessity, turn to section 8 of the agreement which it is proposed to sign with the provinces. It is for that reason I wonder about this, because when it comes to setting out the regulations which are going to govern the administration of this act, and particularly since the agreements are now to be incorporated as a part of this act, then it is very important to tie the two together.

Mr. Martin: If my hon. friend will look at the agreement, section 8 (iv), all the exceptions there she will find conform with clause 4, subclause 4 of the bill.

Mrs. Fairclough: Which one?

Mr. Martin: In the agreement, section 8 (a).

Mrs. Fairclough: You mean section 8 (a) (iv)?

Mr. Martin: Yes.

Mrs. Fairclough: That is the one I was talking about.

Mr. Martin: Those are the exceptions.

Mrs. Fairclough: That is precisely the clause I asked the minister to explain.

Mr. Martin: That is what I was covering. Section 8 of the agreement, in part provides:

> There shall be excluded from the reimbursement claim any person, together with any payment made to or on behalf of such person, who is
> (a) an inmate in any institution maintained in whole or in part out of funds appropriated by
> (i) the parliament of Canada,
> (ii) the legislature of the province,
> (iii) a municipality, or
> (iv) a charitable organization;
> except that there may be included in the reimbursement claim payments made by the province or by a municipality for the upkeep of inmates in homes for special care . . .

Then homes for special care are defined in clause 4 (4) of the bill, which include nursing homes, hostels for indigent transients, homes for the aged, etc.

Mr. Trainor: I should like to ask the minister if that does not constitute an incentive for the provinces to make their contributions to individuals rather than to institutions?

Mr. Martin: Well, in some cases it may. I do not think it really will, because those institutions will continue to require assistance at the hands of the provinces for their maintenance. If the individuals in the institution need assistance they can be brought, as I have indicated, under the exception provided for in the agreement and in the act, and obtain assistance under this measure.

Mr. Trainor: Is it not true, Mr. Chairman, that this assistance will be forthcoming from the federal government to the provinces provided any portion of the assistance given by the province is given to the individual rather than to the institution; it does not have to be all given to the institutions.

Mr. Martin: According to the act.

Mr. Barnett: I should like to raise one or two questions in regard to subclause 3 of clause 4 of the bill. One of my questions is in connection with homes for special care which, as I understand it, is defined in subclause 4 to cover the term as used in subclause 3. Included in that definition in subclause 4 is the term "nursing homes". Now, I should like to know just what the definition is and what distinction is going to be made as between nursing homes and convalescent hospitals in the various provinces. What is the distinction between a nursing home and convalescent hospital? Apparently a nursing home can be included but a convalescent hospital is excluded?

Mr. Martin: A convalescent hospital is defined in the British Columbia hospitals act. It is something that is specifically included in the hospital coverage. In addition to that, there are places called nursing homes which are really homes for the destitute or indigents, people of that sort; people who normally would be requiring assistance, but not health care. This is not a health care provision. This is a welfare measure to provide assistance for the maintenance of people. People in convalescent homes are in a hospital as defined under the hospital insurance of British Columbia. They are provided for under that measure.

There are places in British Columbia, two that I know of in Vancouver, called nursing homes which are really places where aged people and people who have another kind of infirmity are maintained. They are not really in there for hospitalization purposes, but are in there for the keep that is provided for them by those who run the place, charitable organizations of one sort or another. People in this latter category are included in the act if they receive assistance for themselves from the province.

Mr. Barnett: Is it not likely that people who are in the category which the minister described as being in these nursing homes are people who are apt to have to move back and forth between the category of people in nursing homes and those in convalescent hospitals; people who are aged and perhaps somewhat infirm?

One reason I raised this question is that earlier in the discussion of the bill the minister did make reference to the fact that in his opinion this measure was going to go a long way toward closing the remaining gaps in our social security legislation. As I understand it, the proposals for national health insurance are not going to cover convalescent or chronic hospitalization.

Mr. Martin: Yes, it will cover chronic cases.

Mr. Barnett: It will cover them?

Mr. Martin: That is part of the proposal.

Mr. Barnett: It is part of the proposal?

Mr. Martin: Oh, yes.

Mr. Barnett: I may be in error, because it appeared to me there was a very narrow distinction—

Mr. Martin: Chronic hospitals are covered.

Mr. Barnett: —between nursing homes and chronic hospitals that look after people with chronic illnesses who may be needing care.

Mr. Martin: Chronic hospitals are covered.

Mr. Blair: May I suggest to the minister that the term "nursing homes" requires further definition. These homes are springing up all over the country. I am aware of two of them in my own town. We have nursing homes that take in old people. They take in people who are on a prolonged recovery basis; they take in people who cannot get a room in a hospital but who require prolonged treatment. In the main these nursing homes are licensed by the Ontario department of health. Two of the qualifications are that they must have fire protection; they must have fire escapes, and must have registered nurses on duty at all times. They are commonly called nursing homes. They have a mixed variety of cases at all times. The definition is assuming another name, another position.

Mr. Martin: In Ontario the nursing home is defined under appropriate legislation.

Mr. Hahn: I have another matter in mind. Probably it should come under subsection 2 of this section, but perhaps not. At this time we do have a high level of employment. If we have a bit of a decline in the employment level what will happen? During July and August of each year a great number of students take up employment. Their parents may be unemployed and not qualified for unemployment insurance. Would these students be considered as eligible for relief assistance under this legislation?

Mr. Martin: They would if they were in the normal work group. A group of students who work for a couple of months, of course, are not part of the working force, and this legislation applies to the individual.

Mr. Trainor: It seems to me, as the hon. member for Lanark has pointed out, that the term "nursing home" really demands more definite definition, because in most provinces of the country the nursing home is to a degree synonymous with a hospital, perhaps a hospital of a lower grade. Most of the people in a nursing home are ill. Some of them, or a fair proportion of them, care for the chronically ill but not the acutely ill. Nevertheless they are people who require nursing and medical care. Unless this legislation is going to conflict with the proposed hospital legislation I think there should be a complete definition of the term "nursing home".

Mr. Diefenbaker: Mr. Chairman, certainly if the draftsmen of this section had tried to be incomprehensible they could not have done a more complete job. I suggest that no one reading section 4 subsection 2, with subsection 3 (a) could really understand what this means. Subsection 2 says:

> Except as provided in subsection (3), an agreement shall, for the purposes of this act, exclude from unemployment assistance costs
> (a) payments made to or on behalf of persons who are inmates of any institution or class of institution maintained in whole or in part out of funds provided by Canada, a province, a municipality or a charitable organization.

Then I pass the paragraphs without comment because they do not come into issue. Subsection 3 reads:

> An agreement may include as unemployment assistance costs
> (a) payments made to or on behalf of persons who are inmates of homes for special care and who would not normally be cared for in general, acute, chronic or convalescent hospitals, tuberculosis sanitoria, mental institutions, institutions for incurables, orphanages or child welfare institutions.

The minister mentioned that there is an example of this in British Columbia. He did not say whether institutions of the kind mentioned in 3(a) are exclusive to British Columbia. Could this subsection not be simplified if it is to cover only certain institutions in British Columbia?

Mr. Martin: It is to cover not only British Columbia. I just took that as an example because I was addressing myself to the hon. member for Comox-Alberni. It applies to every province.

Mr. Diefenbaker: Possibly the minister could clarify it in this way, because to read 2(a) with 3(a) is to muddle any person who believes in careful language in definitions. Would the minister give an example of the kind of institution which would be operated under 3(a)? He indicated that there was one in British Columbia and possibly in some other province. It does seem that whoever drafted this did not himself clearly understand the meaning of section 8(a) of the draft agreement, now schedule A. The wording is almost the same as in 2(a), except that it says "payment to or on behalf of persons who are inmates of homes for special care".

What persons do receive any assistance because they are in homes for special care? What is the nature of the legislation in existence in any province that allows a person who is not in a general convalescent hospital, or in a sanatorium, a mental institution, an institution for incurables and the like, to qualify? What are the institutions; what is the nature of the institution; what is the qualification for payment to that institution; because the payment to that institution must be made by the province or by the municipality.

In an ordinary rest home a person pays for his or her keep. In these rest homes, or these convalescent homes, or homes similar to those referred to by the hon. member for Lanark and the hon. member for Winnipeg South Centre, ordinarily the individual pays; but apparently there are some institutions in existence in which people who are not sick, mentally afflicted, or do not have tuberculosis and the like, may be placed, and payment is made either by the province or by the municipality. Will the minister outline under what legislation provision is made for such an arrangement, because on the face of it these two sections look as incomprehensible as faulty draftsmanship could possibly achieve.

Mr. Martin: Well, I think I can understand the feeling of my hon. friend in the matter, but it may be because of dealing with this thing more regularly that I feel it is not as difficult as my hon. friend says. I shall do my best to explain the situation again. My hon. friend has directed our attention to clause 4, subclause 2(a), which reads:

Except as provided in subsection (3), an agreement shall, for the purposes of this act, exclude from unemployment assistance costs—

Then paragraph (a) is set out, and that is the one he dealt with. It reads:

(a) payments made to or on behalf of persons who are inmates of any institution or class of institution maintained in whole or in part out of funds provided by Canada, a province, a municipality or a charitable organization.

The people in that group are out, so far as this act is concerned.

Mr. Diefenbaker: Right.

Mr. Martin: So far my hon. friend and I are in accord?

Mr. Diefenbaker: Yes.

Mr. Martin: My hon. friend then says, "Look at subclause 3," which reads:

An agreement may include as unemployment assistance costs

(a) payments made to or on behalf of persons who are inmates of homes for special care—

The words "special care" are to be underlined.

—and who would not normally be cared for—

This is descriptive.

—and who would not normally be cared for in general, acute, chronic or convalescent hospitals, tuberculosis sanatoria, mental institutions, institutions for incurables, orphanages or child welfare institutions.

The group of institutions that are described after the words "who would not normally be cared for," etc., are institutions that are maintained by the province. My hon. friend spoke of chronic cases. They would be covered, for instance, under the hospital insurance proposal as a hospital that would qualify the patients therein for the benefits of the hospital insurance program as is now the case in British Columbia. But my hon. friend says, "That may be true; that may be all well and good," and he says the thing that concerns him is what we mean by "homes for special care". Now, if he will look at clause 4, subclause 4—

Mr. Diefenbaker: I know that.

Mr. Martin: —he will see where the words "homes for special care" are defined. They are defined as meaning:

. . . nursing homes, hostels for indigent transients, homes for the aged, poorhouses, almshouses and hostel facilities provided for the aged within housing projects constructed under the National Housing Act.

The hon. member asked me to give him examples of these institutions.

Mr. Diefenbaker: Could I interrupt for just a moment. Would these nursing homes, hospitals and homes for the aged and so on be nursing homes, etc., operated by the province?

Mr. Martin: Not necessarily, no.

Mr. Diefenbaker: Well—

Mr. Martin: If my hon. friend wishes to listen to me I think he will follow this. For instance, there are Salvation Army hospitals all over the country. There is a Union Mission here in Ottawa, and there are homes for the aged. In New Brunswick I think they call them poorhouses or homes for the poor.

Mr. Gillis: Yes.

Mr. Martin: People in those institutions are not in hospitals. They are individuals who sometimes are destitute for one reason or another, but they do not need regular hospital care and they are people for whom the hospital is not prepared to provide assistance. That is the type of person who is covered. In every province there is a licensing inspection system under which they license (a) hospitals and (b) nursing homes. We accept the provincial definitions, and if we were to define "nursing homes" ourselves we would run counter to the definitions prescribed in provincial acts in all the provinces. Those are defined.

The hon. member for Comox-Alberni mentioned a possible complication. He mentioned that there might be an individual in one of these nursing homes who was indeed a chronic case. If that happened to be the situation the proper governing authority would see to it that he was provided for in an institution covered by the hospital insurance act in the province of British Columbia; but

nursing homes are not hospitals as such. We have perhaps allowed ourselves to be confused by this phrase. Many of us are familiar with the type of nursing home which exists in the old country, which is in fact a small hospital. We ourselves have small institutions which are called nursing homes and are in fact hospitals, but it is not those about which we are speaking; it is the nursing home that is defined in the provincial acts for which there is a proper licensing system.

Mr. Knight: Mr. Chairman, I would like to direct a question to the minister. As I think he knows, in the province of Saskatchewan we have what we call hospitals which are provided by the provincial government in the first place. They are occupied by old people but not by aged people who live in old age homes as such; these are people who are in need of hospital care. For example, in my own city we have what we call the Saskatchewan government hospital. This is a hospital; they have trained nurses in attendance, and the patients receive a call every day from a qualified doctor.

I cannot for the life of me see how the definition of such an institution would be any different from that which is laid down in subclause 3 (a),—"persons who are inmates of homes for special care"—because that is why they are not in a place like Melfort where they have an old peoples' home. These are really old peoples' hospitals.

The institution was originally under the care of the province, but these aged people contribute to that institution probably from their old age pension or, if they are not of pensionable age, they pay a certain amount from their available funds. Does subclause 3(a), cover these people?

Mr. Martin: I do not have that particular institution in mind, but I take it from what you said that it would be covered. We are covered by the licensing system of the province. The province defines what is a hospital and what is a nursing home, and if it is a nursing home which is in fact a hospital it will be exempt from the sales tax, for instance. That comes to us on the basis of a certificate from the province. We depend on the regulations of the province, but in the case you mention I would not think there would be much difference.

Mr. Knight: In the case I mentioned these people are in this institution because of the fact they need medical care as opposed to simply being chronic old age cases. I do not know what the technical terms are, but I think those are the correct terms.

Mr. Jones: I wonder would the minister define "charitable organization"? I have in mind the fact that at Kelowna the Rotary club is going to build several homes for the aged as they are referred to in this act, and they are going to put up $15,000 or $20,000 and borrow the rest from Central Mortgage and Housing Corporation. The homes are more or less held in trust by a body set up by Rotary on a charitable basis with the idea of continuity of occupancy—

Mr. Martin: These are homes for the aged?

Mr. Jones: Yes.

Mr. Martin: They are included.

Mr. Jones: Would you define them as charitable organizations?

Mr. Martin: Yes, definitely.

Mr. Jones: There is no question about it?

Mr. Martin: Definitely not.

Mr. Jones: How is it, then, that the income tax department says they are not; it says they are a business?

Mr. Martin: I do not know—

Mr. Jones: That is what I want to find out. I think you are right; they are a charitable organization. These people are putting up $20,000 out of the goodness of their hearts on a charitable basis and the income tax department insists they pay tax, but it is a charitable organization.

Mr. Martin: Under the description you have given, they would probably come under this agreement.

Mr. Jones: Well, I am glad to have it on the record, anyway.

Mr. Martin: It covers any home for the aged in which assistance is provided for aged individuals by the provinces.

Mr. Johnston (Bow River): Mr. Chairman, there is a question I should like to ask the minister concerning clause 4, subclause 2(a), where it is stated that an agreement may include special cases as unemployment assistance costs. In a case where the patient is in one of these homes to whom is the payment made, to the individual or to the institution? Are there cases where payments are made to the institution and where payments are made to the individual? I can understand that in an asylum or a mental home payments might be made to the institution, but there are other cases such as hospitals where people are paying part of the expense themselves. Surely in that case the payment would be made to the individual rather than to the institution.

Mr. Martin: Our money is paid on the basis of the number of people who are declared

by the province to be on their public assistance rolls. We are seeking authorization under this bill to pay not more than 50 per cent, and that money would be paid directly to the province.

Mr. Johnston (Bow River): It would be the responsibility of the province to determine whether it would be paid to the individual or to the institution?

Mr. Blair: I come back again to clause 3 of the bill, and I still think there will be confusion under that section. In the first place the word "inmates" is used. The usual meaning, at least to me, of that word is a person who has been committed to an institution. If it is a mental institution he would be committed on the certificates of doctors. Or an individual might be sent there by a municipality because he was suffering from some form of chronic trouble. Otherwise the word "patient" should be used.

I come back again to nursing homes. You might find people there who are there simply because they are old. You will find other people there who have been transferred from hospitals because there is not room in the hospitals for them. It may be less expensive to go into the so-called nursing home.

Then you have various classifications here. You speak of institutions for incurables. Some people are in nursing homes because they are incurable and cannot be taken care of at home. They might occupy a bed in a hospital, and it is more expensive for them to be there. To my mind there are three or four classes of patients, and I think in carrying out this legislation sooner or later there will be difficulty in interpreting 3 (a).

Mr. Martin: I always rely greatly on what my hon. friend says, but I am sure that if he will look at the Ontario nursing act he will find precise provisions to cover these cases. We may have some difficulty but, if so, we will have to bring it back for amendment.

Mr. Nicholson: The minister has the advantage of legal training. While the hon. member for Prince Albert seems to be satisfied, I would ask the minister to clear up for those of us who have not been through law school the distinction between 2 (a) and 3 (a), so we will not have any trouble in explaining this to lay people.

Mr. Martin: Subclause 2 (a) and subclause 3 (a) are not to be contrasted. Subclause 2 (a) simply says the following are excluded, while 3 (a) says that if individuals are in homes for special care, notwithstanding the above, they may be included provided they come within the definition in subclause 4 which defines what is a home for special care.

Mr. Trainor: This provides that if the money is paid by the province or the municipality directly to the hospital, the institution is not eligible. When it is paid to the individual, then the institution becomes eligible. It seems to me that this will greatly encourage the use of subterfuge on the part of municipal and provincial governments, which might switch from a method of financial support directly to the institution to the individual, and in that case the individual would be required to pay directly to the institution.

Mr. Martin: This is not a scheme to provide assistance to the individual. If a province did what my hon. friend suggests of course we would have to point that out to it.

Mr. Zaplitny: Subclause 4 defines the meaning of homes for special care. I should like a further clarification of that subclause which reads:

> In this section, the expression "homes for special care" means nursing homes, hostels for indigent transients, homes for the aged, poor houses, alms houses and hostel facilities provided for the aged within housing projects constructed under the National Housing Act.

Do the words "within housing projects constructed under the National Housing Act" refer to the whole subclause or only to what comes after the word "and" in the third line of the subclause?

Mr. Martin: After the word "and".

Mr. Zaplitny: They do not refer to any words before that?

Mr. Martin: No.

Mr. Bell: If that is the answer to the question perhaps the draftsman might decide to put in a comma after the word "almshouses" just to clarify the subclause.

Mr. Martin: I think that is a good suggestion. I may say that was put in at the request of Saskatchewan where they have some of these homes.

Mrs. Fairclough: I am still concerned about the remarks the minister made earlier with regard to chronic cases. When he was replying to the hon. member for Comox-Alberni he said that chronic cases would be taken care of under clause 4(3)(a), which reads:

> An agreement may include as unemployment assistance costs—

And then later:

> —and who would not normally be cared for in general, acute, chronic or convalescent hospitals—

Then the agreement in section 8(a)(iv), which is the long paragraph to which I drew the minister's attention earlier, says in part:

> —together with any payment made to or on behalf of such person, who is—

And then later:

(iv) a charitable organization; except that there may be included—

And further down:

—provided further that said inmates are not such as would normally be cared for in general, acute, chronic or convalescent hospitals.

Both in the bill and in the agreement it specifically sets out chronic cases as being ineligible, whereas the minister told the hon. member for Comox-Alberni that such people would be taken care of under this bill.

Mr. Martin: I said they would be taken care of under the hospital insurance proposal. When the hospital insurance proposal was announced there was some question as to whether it included chronic and convalescent patients as opposed to acute patients, and I pointed out at the time that it was intended to cover chronic as well as acute cases. I was referring to the hospital insurance act of British Columbia and to the proposal made by the federal government for hospital insurance. I was not referring to chronic cases under this bill; I was referring to the chronic cases under the hospital insurance provisions of a particular province.

Mrs. Fairclough: Chronic cases are not taken care of under this legislation?

Mr. Martin: Chronic hospital cases are covered by the act dealing with hospitals, but this legislation does not deal with hospital cases in a nursing home or who may be having special care. There may be the special case of an individual who is chronically ill and who is transferred to a proper institution. There are some borderline cases like that, but this bill is not intended to cover people who are in convalescent or chronic care hospitals. I think the best example would be St. Mary's hospital in London which is one of the outstanding and more recently constructed chronic hospitals. This act does not cover people in that institution. That is a hospital under the hospital act of Ontario and would be covered under the hospital insurance proposal that we have in mind.

Mrs. Fairclough: Yet the care of these people in these hospitals is undertaken by the provinces.

Mr. Martin: Not necessarily; not in the hospital I am thinking of. If there are indigent patients they are taken care of in Ontario by the municipality with assistance by the province, but that is assistance given for medical care. This is assistance given for welfare generally and not for medical care.

[Mrs. Fairclough.]

Mrs. Fairclough: Does the minister then mean that in the costs that are tabulated by the provinces under section 6 of the agreement, those costs which relate to medical or hospital costs, if they are assumed by the municipality or provinces as the case may be, will not be included?

Mr. Martin: That is right.

Mrs. Fairclough: Under provincial care for these people—

Mr. Martin: If my hon. friend will look at 4 (2) (d) of the bill, it says, "Payments made in respect of medical" and so on. They are excluded.

Mrs. Fairclough: That is what I wondered. I point out to the minister that under care which is given to persons who applied to municipalities for assistance there is included, as there is in the case of persons under blindness assistance, old age pensioners and so on, certain medical and hospital assistance. These charges are borne jointly by the municipalities and the provinces.

Mr. Martin: In some cases.

Mrs. Fairclough: In some cases, yes, but even in some—

Mr. Martin: I mean, in some provinces.

Mrs. Fairclough: Does the minister tell me that in calculating the cost of assistance under clause 6 of the agreement it is going to be necessary for the province to exclude therefrom any medical costs?

Mr. Martin: They are not included.

Mrs. Fairclough: Your 50 per cent is dwindling rapidly. By the time you cross out all the things you are now excluding, I do not wonder that Ontario and Quebec do not want to get into the agreement. They may just as well stay where they are. You start out with a basis of .45 per cent, and you admit yourself that none of the provinces actually come up to that basic .45 per cent.

Mr. Martin: I did not say that.

Mrs. Fairclough: Yes, you said that before dinner.

Mr. Martin: No.

Mrs. Fairclough: If you will consult *Hansard* you will see that you said this afternoon before dinner that the figure of .45 per cent was higher than had actually been established by any province as its basis for welfare assistance.

Mr. Martin: If I said that I certainly did not mean to convey that impression. I can assure my hon. friend that is not the case.

Mrs. Fairclough: If that is not the case I should like to hear the figures that actually apply. Certainly the minister made that remark, and a great deal of what I had to say was based upon that premise. If that is the case, and you start with your ·45 per cent, which represents in effect your basic hard core—it is said that the poor are always with us, and undoubtedly some of these are always with us, and the provinces and municipalities always have to include charges for them—you wipe those out and then you start chopping at the additional assistance which must now be given by the province under the terms of these agreements. You say you cannot charge this, you cannot charge that and you cannot charge something else.

You put a person on your relief rolls. I do not care whether or not the federal authorities co-operate in it; you put them on your relief rolls, and there is much more to be provided for them than merely food, shelter and clothing. They are bound to be ill. For one thing, they do not get the nourishment they ordinarily would have. If the breadwinner for the family has no job and is not making normal wages they get by on a mere subsistence. So naturally they are going to be ill; they cannot help it. All those costs are added to the municipal costs, which in turn are shared. Granted they have not been heretofore, and I am talking of cases of unemployed employables. Those costs have not been shared heretofore by the province or the federal authority. If the municipalities out of ordinary humanity, took care of these people, then they were saddled with these costs. They were a 100 per cent charge on the ratepayers of that municipality. That is one of the things that has obtained and one of the reasons why all along we have tried to urge the government to do something for the municipalities in this regard.

It is not right that ordinary care for people who are unable to take care of themselves should be a charge solely on real estate, and that is the only place where the municipalities gain their income. If you start to chop off these amounts here and there and say that you will not allow medical costs, you will not allow hospital costs, you will not allow this and you will not allow that, this is not 50 per cent even of the amount over and above the basis of ·45 per cent. You take the amount you refuse to allow, and then you saddle the provinces and municipalities with the cost of administration. I do not know how far down the scale you are going, but it will be a long way.

Mr. Martin: If I gave my friend that impression about the effect of the hard core figure, I certainly wish to correct it at once. Take the province of Saskatchewan. The ·45 per cent would represent a figure of 4,000. From the figures given to us by Saskatchewan for February, 1955, the total was 8,052.

Mrs. Fairclough: The minister is quoting the figures for February. What about the June figures? Those were the ones you quoted as hard core.

Mr. Martin: Those were the last figures given by the province.

Mrs. Fairclough: You are now quoting the figures for which I asked you earlier and which you did not have.

Mr. Martin: You mean June of—

Mrs. Fairclough: Any year. Get into the summer months, when unemployment is at a minimum.

Mr. Martin: In June of a previous year the total was 72,118.

Mrs. Fairclough: What year?

Mr. Martin: The same year, 1954. We would be paying on that for about 3,200. In the case of Newfoundland, the latest available figure I have is for March, 1955. The hard core there would be 1,854, and the total persons involved would be 21,419.

Mrs. Fairclough: We are getting nowhere. You are taking one of the worst months we have had for unemployment in the history of this country for many years, March of 1955. You are quoting the figures of persons on assistance for that month, and you had previously said that the hard core is in the middle of summer, which anyone should know. You told me that ·45 per cent was the top figure. Now you are starting to quote the middle of the winter figure. Let us have them all in one month.

Mr. Martin: Would July satisfy my hon. friend?

Mrs. Fairclough: Yes.

Mr. Martin: Let us take July, 1955, which is the last retroactive payment period. The hard core would be 1,854. That is the ·45 per cent.

Mrs. Fairclough: This is Newfoundland?

Mr. Martin: Newfoundland; and the number shareable is 13,878.

Mrs. Fairclough: Give us some other provinces.

Mr. Diefenbaker: Take them all. Let us have the figures for the same month all the way through.

Mr. Martin: Prince Edward Island.

An hon. Member: Let us get them all.

Mr. Martin: I shall be very happy to give them, because I think it is very valuable information.

Mrs. Fairclough: As a matter of fact the Ontario figure is 23,323 for June and the hard core is 27,000, which is quite a different picture. Four thousand are not even in there.

Mr. Pickersgill: That shows how lucky you are in Ontario.

Mrs. Fairclough: That is all right.

Mr. Martin: In June in Prince Edward Island the ·45 figure would be 486 and the actual number is 647 so we would be paying on 247 in that province. In Manitoba the hard core figure is 3,820 and the total is 6,943. In the case of British Columbia the hard core figure—this is for June—is 5,872 and the total is 17,773. In other words we would be paying a share, in the case of British Columbia, on about 14,000.

Mrs. Fairclough: Twelve thousand.

Mr. Martin: Excuse me. I quoted the wrong one. British Columbia, 5,872; about 12,000. In the case of Alberta the hard core figure is 4,797 and as of July of 1954, 5,032.

Mrs. Fairclough: Just a minute. Some of these figures are for 1955 and some are for 1954.

Mr. Martin: I am quoting the latest figures we have. The one I am giving you now is for 1954.

Mrs. Fairclough: That is 4,797?

Mr. Martin: It is 4,797.

Mrs. Fairclough: What is the other figure?

Mr. Martin: It is 5,032.

Mrs. Fairclough: You have given us a few odd provinces.

Mr. Martin: I have given you British Columbia, Alberta, Saskatchewan and Manitoba. I have given you Prince Edward Island and I have given you Newfoundland.

Mrs. Fairclough: Yes.

Mr. Martin: The other provinces are Ontario, Quebec, Nova Scotia and New Brunswick. Of those provinces, the only one with which we have an agreement is New Brunswick. We have not yet received the reimbursement claim from New Brunswick, and obviously we have not had it from the other three provinces with which as yet we have no agreement.

Mrs. Fairclough: Mr. Chairman, this just shows you how these figures get twisted around. Take for instance the province of Newfoundland. There are about 7½ or 8 times as many obviously on assistance as in the hard core who would come under this ·45. In Prince Edward Island there are a matter of 15 per cent more than ·45. Then in the case of Manitoba you have about 60 per cent more. In British Columbia you have three times as many. In Alberta you have almost even-stephen. But in Ontario—and the minister says he has not the figures for Ontario or any of these other provinces—according to the figures the minister gave us earlier the hard core would be 27,000, of whom the number receiving assistance was 23,323, or about 90 per cent. Obviously the figures are entirely different in these various provinces. That fact certainly points up the reason some provinces wish to participate in this scheme and others do not.

Mr. Martin: I am sure my hon. friend will agree that none of us wants to see these figures—I know my hon. friend would be the first to join with me in this—any higher.

Mrs. Fairclough: No.

Mr. Martin: We are fortunate that in Ontario they are not higher. That is not to be complained about. Surely that is a satisfactory situation. But the fact is that under this bill we are getting authority to share with the provinces in the cost for a substantial number of people, including a group beyond the threshold for whom it was never recommended or suggested that there should be any provision made by the federal government. That is the advantage of this act, and I think it is a very big one.

Mrs. Fairclough: Mr. Chairman, we come right back again to the minister's pious hopes or expostulations of the pre-dinner hour. They just do not hold water. I come back to this clause which I started to talk about, clause 4 (2) (d) of the act. I asked the minister what happened to the medical costs, hospital costs and so on which have been incurred on behalf of these people, and he told me they were not payable under this act.

Mr. Martin: That is right. I forgot that. I agree with that. My hon. friend did raise that matter. This is not a health insurance measure. It is a public assistance measure. My hon. friend will remember, because of her municipal experience, that under the unemployment relief and assistance act that came into being some time between 1930 and 1935 and was carried on until 1941, I believe, provision was not made for medical care. It was made for food, clothing and shelter, just as is done in this measure. The proper place to deal with medical care and expenses is under a health insurance measure.

The fact that the federal government is engaging itself to share in public assistance,

as it is traditionally understood, does not mean that under this act provision should be made for medical care. There is a proper way to deal with medical care. In any event, I do not think that we should assume that because the federal government gets into this particular field it should be obligated necessarily to get into other fields. There are fields for the federal government, for the provincial governments and for the municipal governments. In the absence of a hospital insurance proposal, I believe that is the proper field for the responsibility to lie where it does. In any event, it is not included in this act.

Mrs. Fairclough: Mr. Chairman, in one breath the minister tells us that here he is exploring a field that had not even been anticipated in 1945, that he is doing far more than was asked of the federal government in 1945. In the next breath he says, "No; we are not going to countenance the payment of 50 per cent of the amounts that are ordinarily expended on persons who must apply for municipal relief". This is not a case of supplying hospital insurance or medical care to people who are normally employed. When you undertake to look after a person who is unable to provide for himself, you provide for him the things he needs, whether it be a doctor, medicine or whatever it may be.

The municipalities have always done that. They provide, for people who are unable to look after themselves, their total requirements. They provide them, it is true, at the basic level. That is what you get there, and you are always going to get the basic level. In other words, so long as the municipality and the province carry their share they are not going to splurge. In so far as moneys are concerned, the municipalities get their money only from real estate.

Now you are telling me in one breath that you have invaded a field that you never expected to invade and that you are doing far more than you ever expected to do and far more than the 1945 proposals set forth. On the other hand you say, that you are not going to allow this, you are not going to allow that, and you are not going to allow something else; and you differentiate again between the people who are unemployable and those who are employable but who, by reason of circumstances, are now unemployed.

I tell the minister to cut out this nonsense. I tell him either to lay no claim to these false virtues or else put in the act something which will actually give the provinces the thing which he claims he is giving here and which he is not giving.

The Chairman: Shall the clause carry?

Mr. Pallett: In support of what the hon. member for Hamilton West has stated, I may say that I took the figures the minister has given us this evening and by my computation, allowing 5 per cent deduction for the exceptions which are set forth in the act, it appears that he is giving Newfoundland 40 per cent of the cost of their relief; Saskatchewan about 15 per cent; Manitoba about 18 per cent; British Columbia about 28 per cent and Alberta nothing. I think this is something which has been rather clouded over today, but actually the contribution this act is going to make is not quite as much as the impression which has been given.

I think a comparison should be made of the figures on unemployment in Newfoundland. I believe such a comparison of the figures will show that something is strangely amiss. Either this government's statement about Newfoundland is wrong or else they are not fully participating in the benefits of this country along with the other provinces. I think the figures the minister has given us show that. I believe it is something the house should be considering very seriously, to see if any steps can be taken in that province to improve its position. I think the Newfoundland members as well as the minister from Newfoundland might well take some steps in this house to rectify that situation.

Mrs. Fairclough: I wonder if the minister would explain what is meant in section 8 (a) (vi) of the agreement, when it speaks of a supplemental allowance or cost of living bonus?

Mr. Martin: Yes. That simply means this. Those who are in receipt of old age assistance are excluded because they are already the recipients of provincial or federal grants; that is clear. For the portion of the supplementary payment that too is excluded in the cases I have mentioned, Saskatchewan, Alberta and British Columbia, because those are supplementary payments across the board. However, in the case of Ontario the supplementary payment is of a different character. It is a payment in which the municipalities pay $8 and the province $12, and it is paid to a limited group of people, actually some 1,500.

Mrs. Fairclough: Under the old age assistance?

Mr. Martin: Yes. Now, that supplementary payment in Ontario does not exclude them from this act for the reasons I have given, but it does exclude the supplementary payments in the other three provinces I mentioned. In those three provinces, in addition to the supplementary payments, the province might pay assistance over and above that, and that would bring the persons affected under this act.

Mrs. Fairclough: In other words, anything in which the federal government does not participate.

Mr. Martin: Or the provinces; it is under the old age assistance act.

Mrs. Fairclough: You say if it is directly a provincial payment it can be included?

Mr. Martin: If it is a public assistance payment over and above the old age assistance.

Mrs. Fairclough: Anything in which the federal government assistance is excluded.

Mr. Carter: We in Newfoundland are very happy to have this legislation, even if the people do not want it in Ontario. Earlier this afternoon the hon. member for Oxford asked a question which was intended to point out that the percentage of the total cost under this legislation that would be borne by the federal government would be, in many cases, less than 50 per cent. Well, Mr. Chairman, that is obvious.

Under the formula set forth in the legislation the percentage cost must vary from zero up to 49·9 per cent. If one approaches this legislation from the viewpoint of sharing the percentage cost, in my opinion one is tending to obscure its true value. When the percentage cost borne by the federal government is zero that means we are having prosperity and there is no burden to carry above the ·45 per cent. For my part, I hope the federal share under this legislation will always be zero, because that means we will always be having the same high level of prosperity we are enjoying at the present time. The present government is doing what it can to maintain this prosperity. It is trying to steer a course between recession on the one hand and inflation on the other. But hon. members must remember that there are certain things outside of the control of even this government.

Mr. Churchill: Name one.

Mr. Carter: There are conditions in the outside world which can adversely affect the economy of this country over which we have no control whatever. We do not pretend to be able to control the weather. Hon. members can turn their minds back 18 months and they will recall that we were faced with a paradoxical situation in which unemployment figures soared to a record level at the very time the country in general was enjoying unpredecented prosperity. At that time in my own province of Newfoundland the number of people receiving relief rose from ·6 per cent of the population in September, 1954, to 4·4 per cent in March, 1955. During that same period in my own riding of Burin-Burgeo the number of people receiving relief rose from 1·8 per cent of the population in September, 1954, to 9·63 per cent in March, 1955. It is at a time like that when the true benefit of this legislation can be appreciated. It provides assistance at a time when assistance is needed most.

Some hon. members have indicated that the federal government should make itself responsible for 100 per cent of the cost of the unemployed employables. I believe that stand was taken by Ontario when these things were considered at the provincial conference. I do not share that view. In the first place, to do this you must separate the unemployed employables from the people who cannot be employed because of their physical condition. One of the things about this legislation which appeals to me very much is the fact that it wipes out that distinction completely and for all time; I think that is as it should be.

Another reason that I do not agree with the government taking 100 per cent responsibility is that I do not think it is in the national interest. Since I came to this parliament in 1949 we have passed numerous laws in which we have removed responsibility from individuals, organizations or some levels of government and placed it on the federal government.

In Canada we are building a nation. We are developing a Canadian way of life. I think we are developing patterns of government that are distinctly Canadian. If we are to do a good job and make Canada a good nation the way to do it is not to remove responsibility from the places where it belongs. The proper way to do it, I submit, Mr. Chairman, is to acknowledge a joint responsibility and a joint sharing of the burden, and that is what this legislation does.

Mr. Trainor: Also a joint sharing of the tax revenue; don't forget that.

Mr. McIlraith: In Manitoba?

Mr. Carter: When the great province of Ontario puts the same tax on its gasoline as the province of Newfoundland has to, then the province of Ontario will have plenty of money to pay the ·45 per cent and the rest of the formula required in this legislation.

Mr. Nesbitt: On a question of privilege, the hon. member who has just taken his seat kept referring in his remarks, I believe on two or three occasions, to the member for Oxford. Perhaps he should get his members sorted out, because I have made no comment on this bill so far.

Mr. Carter: The hon. member for Peel is the member I meant.

Mrs. Fairclough: I wonder whether the minister will explain the meaning of clause 4(3)(b) of the bill, bearing in mind that clause 4(2) says:

> Except as provided in subsection (3), an agreement shall, for the purposes of this act, exclude from unemployment assistance costs—

And so on; and then (b):

> Payments made to or on behalf of persons—

And so on. Then subclause 3 says:

> An agreement may include as unemployment assistance costs
> (b) relief payments made to or on behalf of the persons referred to in paragraph (b) of subsection (2)—

And so on. In other words, subclause 3(b) says that those persons may be included in the computation who are specifically excluded in subclause 2(b). Will the minister please explain that.

Mr. Martin: I explained that a moment ago, but I suppose my explanation was not as clear as I hoped it would be. Under subclause (2) (b) or under all the subclauses (a) (b) (c) (d) and so on there are provisions which are taken outside the legislation. My hon. friend directs my attention specifically to (2)(b). The governing part is:

> Except as provided in subsection (3), an agreement shall, for the purposes of this act, exclude from unemployment assistance costs
> (b) payments made to or on behalf of persons who are in receipt of financial assistance under any act of the legislature of a province the cost of which is shared by Canada under an act of the parliament of Canada other than this act, and payments made by way of supplemental allowance or cost of living bonus to those persons or to persons who are in receipt of financial assistance under any act of the parliament of Canada.

Then subclause 3 (b) is the exception:

> An agreement may include as unemployment assistance costs

Then (b):

> relief payments made to or on behalf of the persons referred to in paragraph (b) of subsection (2) in addition to the payments herein specified.

These are relief payments, as I said a moment ago. I took the case of the three western provinces where supplementary payments are made to old age assistance. As far as the moneys paid by way of old age assistance or supplementary benefits are concerned, they do not qualify under this legislation. Simply by way of parenthesis may I say that these supplementary payments are made to a special group of people, the recipients of old age assistance; but if on top of that a province pays public assistance to a wide group of citizens, including this particular group, to the extent of that additional assistance over and above the supplementary payments and the old age assistance itself the federal government, under this legislation, is prepared to share in the cost of that extra assistance provision.

Mrs. Fairclough: Then this is merely a subsistence payment, is it; food, lodging, and so forth?

Mr. Martin: That is right.

Mrs. Fairclough: Heat, and so on?

Mr. Martin: That is right.

Mrs. Fairclough: As differentiated from any amounts paid to them as pensions or old age security payments?

Mr. Martin: Or supplementary payments.

Mrs. Fairclough: Handicapped persons' allowances, and so on?

Mr. Martin: That is right.

Mrs. Fairclough: Now that the minister has explained it, it becomes a little clearer; but I must say it is a very badly drawn piece of legislation.

Mr. Hamilton (York West): As I look at the clock I think there is an object lesson here for the minister. Because you are fast off the mark it does not mean you are going to win a fast race.

This matter of when bills come to us came up before. I might repeat, sir, that even though they require a date and a number it seems to me that the officials of the department have them prepared long in advance. I ask again that some consideration be given to having them sent around in draft form so this last minute examination might not be necessary, and perhaps the minister would get along a little better than he has tonight.

I cannot help but think that the remarks made by the hon. member for Hamilton West, added to by the hon. member for Peel, confirm to a great extent what I said on second reading of this bill, namely that in so far as the province from which I come is concerned, this bill does absolutely nothing at the present time. If I understand the figures as I heard them read out it would appear that the idea is to indicate that Ontario is going to be permanently in a state of prosperity. If I understood the remarks of the hon. member for Burin-Burgeo, according to these figures Newfoundland will continue to be in a period of depression.

The hon. member for Peel has certainly indicated that the government might seriously consider whether some additional measures are not required to see that those other areas of the country, whether it be by decentralization of industry or otherwise, are given an

opportunity to get into the positive class in so far as figures are concerned. Then, of course, the minister could be extremely happy. He would have sold a bill of goods to the Canadian people to show that he is looking after 50 per cent of the unemployment costs when, in actual fact, if some efforts were extended along that line he could get along without spending anything.

It is easy enough to talk about whose responsibility the problem of the hard core is. To say that the people at the municipal level know their neighbours and know what hardship arises and that they are the people who can carry on the job is ridiculous. How ridiculous can they get, Mr. Chairman? This government is the body that is collecting practically every cent it can get from everyone. Then it is attempting to get by, by putting on someone else the responsibility of looking after people out of real property taxes.

Those taxes were never designed at any time to take care of people in this category. They were designed to provide the services, the educational costs, the fire protection and the police protection. Certainly real estate was not designed to assume this burden. What happens? What do you do? This government takes as much of the taxes as it can possibly get. It brings new people into the country and the first time they get a pay cheque the government makes doubly sure that it gets its share but it leaves it to the municipality to build the schools, to provide the roads, the police protection and the fire services for them right away, and the municipalities do not get any tax revenue from those people until long after they have arrived.

I mentioned education. It is probably the most important of all, because it is one thing that must be looked after for all the people, and we must provide for them the best education we can. As I said this afternoon, sooner or later we are going to have to make a permanent division of the sources of taxes in this country and leave the responsibility of disbursing them with the people who collect the taxes. Only then will we catch up with this problem.

Mr. Pickersgill: May I ask the hon. gentleman a question?

Mr. Hamilton (York West): Just let me finish, will you please?

Mr. Pickersgill: All right, I would like to ask it then.

Mr. Hamilton (York West): I notice that the Minister of Citizenship and Immigration had his conference outside and got his answer across here very well through his spokesman, so perhaps he would let me finish my remarks.

It is very easy to see why the province of Ontario has not accepted this formula as yet, because obviously there is going to be no contribution to that province under present conditions; and if the municipalities are now all bearing a share they will continue to bear it. None of them has the revenue to take care of even one unemployed person. This legislation is a very nice thing to sell to the people; it sounds as if we are doing a great deal, but in actual fact we are doing practically nothing to ease the burden on the municipal governments.

I would like to refer again to the technical problem I brought up before the dinner hour; perhaps there is an answer to it, but I would like to hear some of the lawyer members of the house express an opinion concerning it. Clause 4, subclause 1(e) of the bill, is worded in a way which would indicate that it was the intention to continue this legislation for a fixed period and then from year to year. I would assume this would be done on a 12-month basis from whatever time the agreement was signed. Clause 17 of the agreement indicates that the agreement can be terminated one year from any date. The minister has said that by attaching this agreement to the legislation it would clear up any apparent inconsistency, but it does not seem quite right to me yet, sir. Surely it is not the intention—

Mr. Martin: May I just point out that my hon. friend mentioned this matter this afternoon. We have now passed that clause and we can look at it again when we come to third reading, but I do not think we are in order in discussing it now. I shall be pleased to discuss it again on third reading.

Mr. Hamilton (York West): Why is it out of order to look at clause 4?

Mr. Martin: We have passed it.

Mr. Hamilton (York West): No, we have not passed clause 4.

Mr. Martin: We have passed the amendment to clause 3 by which my hon. friend was provoked to make his observation.

Mr. Hamilton (York West): That may be so, but I am now dealing with clause 4, subclause 1(e), and if in fact the amendment which was passed does not clear up this confusion then this is the proper time to discuss it.

As I see it, it does not seem reasonable, notwithstanding the explanation that has been given, that one of the contracting parties could give notice in the middle of the year and end this agreement to its advantage at a time of high or low unemployment, as the

case might be. It seems to me what was intended here was a continuation of this agreement in periods of 12 months after the original agreement was signed. I feel there may be some confusion in connection with that matter at the present time.

Mr. Martin: Perhaps I did not understand the suggestion made by my hon. friend earlier. Is my hon. friend suggesting we make clause 4, subclause 1(e) conform, as it must, to the agreement, because we have an agreement that may be changed; I mean, it could be changed. Is my hon. friend suggesting that the clause of the bill with regard to termination notice should conform to clause 17 of the agreement?

Mr. Hamilton (York West): That is right.

Mr. Martin: Clause 17 of the agreement reads:

> This agreement shall be deemed to have come into force and shall bind the parties from the -- day of -- 19 , and thereafter until terminated by either party giving to the other party one year's notice in writing.

Mr. Hamilton (York West): That is right.

Mr. Martin: I would agree with that. I did not appreciate the point raised by the hon. member earlier. I would ask the Minister of National Defence if he would now move that clause 4, subclause 1(e), which reads—

> Fix the time of the agreement at not more than five years and thereafter from year to year subject to termination by either party.

—be amended by adding thereto the words "on one year's notice in writing".

Mr. Hamilton (York West): I think, Mr. Chairman, it might be done by deleting all the words after "thereafter" and substituting therefor the words "until terminated by either party giving to the other party one year's notice in writing".

Mr. Martin: That is acceptable. Would my hon. friend move that?

Mr. Hamilton (York West): Yes.

Mr. Martin: I thank my hon. friend.

The Deputy Chairman: It has been moved by Mr. Pickersgill—

Mr. Fleming: It was moved by Mr. Hamilton.

Mr. Pickersgill: Mr. Campney.

Mr. Hees: Mr. Hamilton.

The Deputy Chairman: Mr. Hamilton (York West) moves:

> —that all the words after "thereafter" in the seventeenth line be deleted and the following be substituted therefor:
>
> "until terminated by either party giving to the other party one year's notice in writing".

I am inserting the words "in the seventeenth line" for clarity.

Mr. Carrick: Mr. Chairman, I would like to say just a word or two at this stage. It seems to me the government has attempted to solve a very real problem in introducing this legislation. All hon. members will remember the difficulty that most of us experienced last year when there was considerable unemployment during the winter season and the people who were entitled to some assistance from either the municipal, the provincial or the federal level were unable to obtain it.

The difficulty in each case was that at that time there did not seem to be any way in which the three levels of government were able to get together and see that assistance was given. This legislation should certainly have the effect of making it impossible for any level of government to say that it is not responsible for the assistance that is needed within the class of cases covered by this legislation.

This legislation has the virtue of abolishing a distinction that has been troublesome throughout the history of the administration of unemployment assistance; that is the distinction which has always existed as between persons who were unemployed and not capable of being employed and persons who were employable.

There has been introduced in this debate some discussion which really turns upon the fiscal relations between the provinces and the dominion. As all hon. members know, there is other legislation before the house at this time which deals with that, and everyone who has endeavoured to ascertain what are the proper payments to make to the provinces and what are the proper sources of revenue is constantly aware of the complex nature of this problem. It is obviously impossible for the government at this time to endeavour to change immediately the traditional relations between the municipalities, the provinces and the federal government.

The hon. member for York West has referred to the difficulties the municipalities have experienced and with which we are all familiar; but this legislation, of course, has to proceed on the basis that that relationship is in existence at the present time, and it is an attempt to take care of a group that is going to need help under the existing relations.

It is inevitable in legislation of this kind that having laid down the general principle as to all persons who will be entitled to assistance, those persons who will not be

entitled to assistance because they fall within the exceptions have to be defined, and it thus gives an appearance to some extent of complexity. However, when it is explained it is really not too difficult. Many of the questions which have been put to the minister arose from the fact that this is a rather complex subject we are dealing with, but I suggest that the legislation has been drawn with reasonable clarity. This may not be the last word on this matter, but it is my submission that the government is to be commended for bringing in the legislation at this time and making a bold attempt to meet a serious problem.

Mrs. Fairclough: There is just one question I should like to ask with regard to section 8(a)(i).

The Deputy Chairman: An amendment has been moved to one of the other subclauses; shall the amendment carry?

Mr. Pickersgill: Before the amendment carries I want to put in declarative form a question I wish to ask the hon. member for York West. In Newfoundland unemployment assistance is not paid by the municipalities. Up to the present time it has been paid exclusively by the provincial government. Of course this legislation will provide for a considerable federal contribution. I see no reason why the provincial government of any rich province like Ontario should not do what we can do in a province like Newfoundland, which has nothing like the sources of revenue Ontario has.

Mr. Hamilton (York West): As the minister made a speech rather than asked a question I do not think I need say anything.

Mrs. Fairclough: Surely the Minister of Citizenship and Immigration is not serious, as Ontario is not even a party to these agreements.

Mr. Pickersgill: Newfoundland has been paying it entirely for years.

Mrs. Fairclough: Newfoundland is a party to these agreements and Ontario is not. Obviously the minister does not know what he is talking about. I should like to ask the minister if section 8(a)(i) of the agreement refers to members of parliament?

Mr. Martin: I do not believe so.

Mrs. Fairclough: I have a serious question I want to ask now. Section 15 of the agreement reads:

> Canada shall, on receipt of a reimbursement claim that has been prepared in accordance with this agreement, pay fifty (50) per cent of the total claim.

[Mr. Carrick.]

It seems to me that the word "total" is scarcely descriptive of a claim which would be made under section 6 of the agreement, which provides that a monthly statement shall be made to the federal government. That would indicate the number of persons on assistance and the total amount which had been paid to those persons. Subsequent sections of the agreement set out the deductions which are to be made according to the formula. It seems to me that section 15 should provide for the payment of 50 per cent of the amount arrived at, or whatever description might be given to it, but certainly a total claim would be the total amount expended by the province before it started to make the deductions set out in the agreement. To me the word "total" means a grand sum, and I do not think it is descriptive of the amount to be paid by the federal government.

Mr. Martin: It is the total amount claimed by the province. In any event that is the agreement.

Mrs. Fairclough: I presume that under the regulations definite forms will be drawn up to indicate the deductions and other statistics necessary and then finally the net amount, which I suppose would be called the total claim. Am I correct in thinking that it will be so designated on whatever forms are available to the provinces for the making of their report?

Mr. Martin: That is right.

Mrs. Fairclough: It certainly does not seem clear to me.

Amendment agreed to.

Mr. Hamilton (York West): Has the minister any formula which would indicate the percentage that will be required for administration? Has the government arrived at a figure which they think might be spent in this regard or which under this legislation must be expended by the municipality or the province?

Mr. Martin: No, I have not. My hon. friend asked me that question before, and I have not that information.

Mr. Fulton: May I refer to clause 4(2)(d) and I do not intend any levity when I ask why funeral expenses are excluded. It seems to me that such expenses would be a very serious burden and I should like to know why they are excluded.

Mr. Martin: They were not included in the agreements under the Unemployment Assistance Act, and they are not included in most public assistance legislation.

Clause as amended agreed to.

Clauses 5 and 6 agreed to.

On clause 7—*Regulations.*

Mr. Diefenbaker: This clause would appear to be weakly worded; as a matter of fact it is meaningless in its present form. It reads:

> The governor in council may make regulations for the administration of this act and of agreements and for carrying their purposes and provisions into effect.

I think it is bad grammatically. Apparently it was an endeavour on the part of the draftsman to give power to draft regulations, but as it is worded I think it would require something in addition. What it means apparently is that the governor in council may make regulations for the administration of this act and of agreements entered into hereunder and for carrying the purposes of the act or the agreements into effect.

As it stands it is a rather meaningless clause. If what it means is that the governor in council may make regulations for the administration of the act, that is all right; or of agreements entered into in connection herewith for the purpose of carrying the provisions into effect. I think the minister should give consideration to rewording the clause, because as it stands now I do not see how you can make provisions about agreements.

Mr. Martin: All I can say is that I discussed this with the officials of the Department of Justice and they were satisfied that it was proper draftsmanship.

Clause agreed to.

On clause 8—*Payments under prior agreements.*

Mrs. Fairclough: Could the minister indicate what provinces are presently operating under agreements and how long they have been so operating?

Mr. Martin: Agreements have already been signed by Canada, on the one hand, and by the provinces, on the other, and this merely validates them.

Mrs. Fairclough: That is the purpose of the whole bill, so why was it necessary to set it out specifically? The agreements necessarily go back further than this, and obviously they cannot go back beyond July 1, 1955.

Mr. Martin: For these, but for the others it will be twelve months.

Mrs. Fairclough: Back twelve months?

Mr. Martin: In the case of a province where there is now an agreement there is retroactivity to July 1, 1955, except in the case of New Brunswick, where they wanted to go back only to January 1. In the case of the other five it was to July 1, 1955. In respect of the other agreements, it will go back 12 months from the date of execution.

Clause agreed to.

On clause 9—*Report to parliament.*

Mr. Fulton: It seems to me that it is usual to provide a definite period after the end of the fiscal year within which such reports must be tabled, whereas this clause simply says:

> As soon as practicable after the end of each fiscal year the minister shall lay before parliament a report of all proceedings under this act for that fiscal year.

Would it not be possible to put in a definite time limit?

Mr. Martin: It might be possible but it would not be desirable, for this reason. This provision applies to family allowances, old age assistance, disability allowances, blind persons allowances and so on. Particularly with regard to sharing legislation, we have to get accounts from the provinces. I am not going to suggest that they are dilatory, but there are occasions, and this is a practical necessity. We gave consideration to this, but we had the same discussion, as my hon. friend will remember, on the Old Age Assistance Act.

Mr. Fulton: What is the experience?

Mr. Martin: We have had some delays.

Mr. Fulton: Does it run into six months or a year?

Mr. Martin: We have had six months' delay. We have had one delay of seven months, getting in the claims.

Mr. Fulton: Has any difficulty been experienced in getting them within one year after the end of the fiscal year?

Mr. Martin: I do not recall any.

Clause agreed to.

Mr. Martin: Before we proceed, I wonder whether I might ask my colleague the Minister of National Defence to move:

> That the bill be further amended by adding thereto the following schedules as schedule A and schedule B.

This is in accordance with the suggestion made earlier.

The Deputy Chairman: Mr. Campney moves:

> That the bill be further amended by adding thereto the following schedules as schedule A and schedule B.

—it being understood by the committee of the whole that schedule A and schedule B are the agreements referred to by the minister earlier.

Amendment agreed to.

The Deputy Chairman: Shall clause 1 carry?

Mrs. Fairclough: Before clause 1 carries, I wonder whether the minister has the answers to the questions asked previously by the member for Saint John-Albert and the member for Peel?

Mr. Martin: I forget the question asked by the member for Peel, but in answer to the question put to me by the member for Saint John-Albert I should like to point out to him that he asked me, if I understood his question correctly, how the actual unemployment figures in New Brunswick compared with those in the other provinces. I may have given him a wrong impression when I was talking about the significance of the ·45 per cent, which was a figure arrived at with the provinces as one that represented the normal situation that attended in most provinces other than the province of Nova Scotia.

The national employment service statistics respecting applications for employment are compiled regionally rather than by provinces, and the maritime provinces are taken as a single region. These figures show that applications on hand at national employment service offices for employment in the Moncton and Saint John offices combined totalled 6,301 on May 17, 1956, compared to 10,529 on April 19, 1956, and 6,345 on May 19 a year ago. While these figures may be significant as indicating the number of individuals seeking work in New Brunswick, they do not reflect accurately the numbers of the needy unemployed, which are much smaller in number.

The labour force survey for May, 1956, and for earlier months, published by the dominion bureau of statistics, does not contain figures relating specifically to the province of New Brunswick. I was looking that up during the dinner hour to make sure. The statistics produced in the labour force survey for the maritime provinces lump together Prince Edward Island, Nova Scotia and New Brunswick. The labour force survey, like national employment service figures, relate to the numbers of individuals seeking work, not to the number of individuals in need, which is the concern of this present legislation.

So far as the statistics relating to the needy unemployed are concerned, we have made every effort to obtain reliable figures from the New Brunswick authorities themselves but, owing to the fact that the province neither contributes to local assistance costs nor collects statistics from the municipalities—though they are starting to do that now—regarding municipal case loads and payments, we were unable to obtain, even with the full co-operation of the New Brunswick authorities, any figure whatsoever on the numbers of individuals receiving local assistance in that province. Some dollar expenditure figures were produced by the New Brunswick authorities, showing that for the full year of 1954, the highest year of cost in the six-year period 1949 to 1954, $349,108 was spent on assistance for unemployables by New Brunswick municipalities, while $138,111 was spent for assistance to employable persons.

New Brunswick has entered into an agreement effective January 1, 1956, and we expect very shortly to receive the first claims to be submitted under the agreement with the province. Only then will I really be able to give an accurate estimate in reply to my hon. friend's question. I thought I was going to be able to, but when I looked it over during the dinner hour I found there would be an inadequacy in these figures.

Mr. Bell: I appreciate the effort the minister has gone to, and I understand he did some work during his supper hour. However, I only wanted the percentage of the total population of the various provinces with respect to the figures he gave of unemployed employables. I wanted only a relative comparison. In other words, the figures you gave on second reading for the various provinces started with Newfoundland at 1,854, Prince Edward Island at 486 and so on. I only wanted to know what percentage those figures were of the total population of those various provinces, so I could have the relative comparison to find out how many would possibly be eligible under this bill.

Mr. Martin: I see. Except for Nova Scotia, it is .45 per cent, which was the figure agreed to at the conference as the official figure. It is what I indicated this afternoon. We had thought of 1 per cent, but 1 per cent would have left out Ontario and Nova Scotia completely. So then we lowered the threshold figure from 1 per cent to .45 per cent, which met the situation of all the provinces except Nova Scotia where, on the admission of all provinces, there was a special case.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Martin: I can simply thank the house for passing this very good legislation.

The Acting Speaker (Mr. Applewhaite): When shall this bill be read a third time?

Some hon. Members: Now.

Some hon. Members: By leave.

Mr. Martin moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take the estimates of defence production and agriculture. On Monday we shall take second reading of the amendment to the Canada Shipping Act which, after being given second reading, will go to the committee. Then we shall take the resolution in the name of the Minister of Citizenship and Immigration with respect to the Indian Act; then the resolution in my name with respect to the Public Service Superannuation Act; then second reading of the bill to amend the Post Office Act.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME V